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CANADA
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA
DOMINION, PROVINCIAL AND MUNICIPAL
IN
1934

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FINANCE STATISTICS BRANCH
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PUBLIC DEBT OF CANADA

Statistics of the aggregate public debt of Canada are herewith presented, those for the Dominion Government covering its fiscal year ended March 31st, 1934, while those of the provincial governments represent their respective fiscal years ending in 1934 as follows: Prince Edward Island Dec. 31st, Nova Scotia Sept. 30th, New Brunswick and Ontario Oct. 31st, Quebec June 30th, Manitoba and Saskatchewan April 30th, Alberta and British Columbia Mar. 31st. The debt of Municipal Governments is the liability on December 31, 1933 of all municipalities with the exception of those in Saskatchewan where the debt at April 30th, 1934 is taken. This is the latest available information for municipal debt.

The Aggregate Public Debt of Canada.-- Table 1 gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,124,489,167, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,317,711,176. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of these two forms of debt in 1934 was \$6,442,200,343.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

- Dominion net direct debt page 1 and Table 2 .
- Dominion guaranteed or indirect debt page 2 and Table 4.
- Provincial net direct liabilities page 2 and Table 5.
- Provincial indirect liabilities page 11 and Table 5.
- Direct liabilities of municipalities less sinking funds, etc., page 2 and Table 6.

Net Direct Debt of Dominion Government.-- This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: cash assets; specie reserve; advances to provinces for housing loans and unemployment relief, loans to banks, harbour commissions and Canadian Farm Loan Board; advances to foreign governments; soldiers and general land settlement and other miscellaneous current accounts. A detailed analysis of net debt will be found in Table 2 which is a reproduction of the Balance Sheet of the Dominion Government as at March 31st, 1934.

Funded Debt of the Dominion Government.-- The analysis of this debt on March 31st, 1934, will be found in Table 3, showing the portion payable in Canada, in Canada and New York, in London, and in New York. Sinking funds are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2. In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of exchange. Payment of debt in New York on March 31st 1934 would be at par but payment of obligations falling due in London at that date would be subject to a premium. Payment to-day of the debt shown as due in either London or New York would be subject to premium.

Guaranteed Debt of the Dominion Government.- Table 4 gives the details of this debt showing where principal and interest are payable.

Certain interest rates run as high as 6 to 7 per cent so that refunding at lower rates of interest should be possible when existing contracts expire.

It will be seen that some \$216,000,000 of railway securities is guaranteed as to interest only. In other words the government can never be called upon to pay the principal sum.

Debts of Provincial Governments.- Table 5 analyzes the public debt of provincial governments for the year 1934. In it will be found details of the total net direct liabilities as given in summary Table 1.

The total gross bonded debt less sinking funds offsetting same gives the net bonded or debenture debt as \$1,229,652,462. To this are added the treasury bills outstanding totalling \$123,859,963 making the net funded debt \$1,353,512,425. To this sum must be added the Other Direct Liabilities made up of loans, savings, deposits, accounts payable, bank overdrafts, etc., amounting to \$187,957,412, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,541,469,837. There is a further offset to these direct liabilities consisting of available or realizable assets in Capital Account \$551,647,580, Current Account \$51,556,932 and Trust Account \$46,482,234, totalling \$649,686,746. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$891,783,091.

In addition to the direct liabilities there were also indirect or contingent liabilities in each province with the exception of Prince Edward Island. These liabilities arise largely out of guarantees of railway, municipal and other obligations. The totals for each province are shown on Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities.- There are over 4,200 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back the principal and interest of any loans incurred. The Canadian cities in particular have exercised their borrowing privileges as their gross bonded indebtedness in 1933 represented \$1,047,501,230 out of a grand total for all municipalities of \$1,385,938,395.

Table 6 gives an analysis of Municipal Debt in Canada.

There are no statistics obtainable to give a complete statement of available or realizable assets of municipalities throughout Canada, nor is there any information concerning indirect liabilities.

The total direct liabilities less sinking funds are shown for all municipalities in six provinces but incomplete figures are given in the other three provinces, the whole totalling \$1,502,727,935.

TABLE 1.- SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA.

(Dominion, Provincial and Municipal Governments)

Circa 1934. (Subject to revision)

Net Direct Debt -		\$
Net Debt of Dominion Government, March 31, 1934		2,729,978,141
Net Direct Liabilities of Provincial Governments 1934 (Sinking funds and available Capital, Current and Trust Account Assets deducted)		891,783,091
Direct Liabilities of all Canadian Municipalities, less sinking funds and investments, Dec. 31, 1933		<u>1,502,727,935</u>
Total Net Direct Debt		5,124,489,167
Guaranteed or Indirect Debt -		
Dominion Government, Mar. 31, 1934.		\$
Principal and interest guaranteed on Railway and Other Securities	777,069,906	
Interest only guaranteed on Railway Securities	216,207,142	
Guarantees under Relief Acts	<u>93,296,073^{1/}</u>	1,086,573,121
Provincial Governments - fiscal years 1934		<u>231,138,055</u>
Total Guaranteed or Indirect Debt		1,317,711,176
Grand Aggregate Public Net Direct Debt and Guaranteed or Indirect Debt of Canada		6,442,200,343

^{1/}Wheat marketing guarantees not included.

TABLE 2.- BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1934.

(From the Public Accounts)

Active Assets -	\$
Cash on hand and in banks	9,874,579
Specie Reserve	71,406,030
Advances to Provinces, Banks, etc.	191,920,712
Advances to Foreign Governments	30,494,720
Soldier and General Land Settlement Loans	45,219,132
Miscellaneous Current Accounts	62,148,783
Total Active Assets	411,063,956
Balance of Liabilities over Active Assets being Net Debt, Mar. 31, 1934 (exclusive of interest accrued and out- standing carried forward)	2,729,978,141
	3,141,042,097
Non-Active Assets -	
Public Works, Canals	242,079,744
Public Works, Railways	443,182,346
Public Works, Miscellaneous	252,124,944
Military Property and Stores	12,035,420
Territorial Accounts	9,895,948
Railway Accounts (old)	88,398,829
Railway Accounts (loans non-active)	655,527,456
Canadian National Steamships (loans non-active)	15,353,467
Miscellaneous Investments and Other Accounts (non-active)	75,960,711
Balance Consolidated Fund as at Mar. 31, 1933	811,417,164
Excess of Expenditure over Revenue, year ended Mar. 31, 1934	124,002,112
	2,729,978,141
Liabilities -	
Dominion Notes in Circulation	172,617,922
Bank Note Circulation Redemption Fund	6,486,355
Post Office Account, Money Orders, Postal Notes, etc., Outstanding	3,570,744
Post Office Savings Bank Deposits	23,158,919
Insurance and Superannuation Funds	109,481,507
Trust Funds	18,271,120
Contingent and Special Funds	4,441,481
Province Accounts	9,623,817
Interest Due and Outstanding	1,683,672
Funded Debt	2,791,706,560
	3,141,042,097

NOTE:- The Dominion of Canada is also responsible for principal and interest on loans negotiated by railways, under various Acts of Parliament, amounting to \$746,035,434 (See Table 4 for details).

TABLE 3.- FUNDED DEBT OF THE DOMINION GOVERNMENT PAYABLE IN CANADA,
CANADA AND NEW YORK, LONDON, AND NEW YORK AS AT MARCH 31, 1934.

Description	Amount	Annual Interest Payable Thereon	Date of Maturity
Payable in Canada	\$	\$	
Debenture Stock 5% 1919	2,000		
Debenture Stock 5½% 1921	200		
Dom. Canada Savings Certificates	6,405		
Prov. Canada 5% Loan Debentures	400		
Prov. N.B. 6% Loan Debentures	600		
Prov. Notes N.S.	39,166		
Unpaid Warrants P.E.I.	550		
War Savings Certificates	12,140		
War Savings and Thrift Stamps	81,243		
Compensation to Seigneurs	11,827	710	Demand
Compensation to Townships	153	8	"
Dom. Stock Issue "A" 6%	4,000	240	"
Dom. Stock Issue "B" 3½%	13,400	469	"
Dom. Stock Issue "C" 3½%	48,667	1,703	"
Debenture Stock 5% School Lands	33,293,471	1,664,674	July 1, 1934
Dom. Canada War Loan 1915-29 5%	9,000		
Dom. Canada War Loan 1916-31 5%	60,100		
Victory Loan 1917 5½% due 1922	62,050		
Victory Loan 1917 5½% due 1927	25,500		
Victory Loan 1917 5½% due 1937	236,299,800	12,996,489	Dec. 1, 1937
Victory Loan 1918 5½% due 1923	67,150		
Victory Loan 1918 5½% due 1933	1,852,100		
Victory Loan 1919 5½% due 1924	32,050		
Victory Loan 1919 5½% due 1934	222,216,850	12,221,927	Nov. 1, 1934
Renewal Loan 1922 5½% due 1927	12,200		
Renewal Loan 1922 5½% due 1932	159,700		
Refunding Loan 1923 5% due 1928	5,800		
Refunding Loan 1923 5% due 1943	147,000,100	7,350,005	Oct. 15, 1943
Refunding Loan 1924 4½% due 1944	50,000,000	2,250,000	Oct. 15, 1944
Refunding Loan 1925 4½% due 1940	75,000,000	3,375,000	Sept. 1, 1940
Refunding Loan 1926 4½% due 1946	45,000,000	2,025,000	Feb. 1, 1946
Conversion Loan 1931 4½% due 1956	43,125,700	1,940,657	5/Nov. 1, 1956
Conversion Loan 1931 4½% due 1957	37,523,200	1,688,544	6/Nov. 1, 1957
Conversion Loan 1931 4½% due 1958	276,687,600	12,450,942	8/Nov. 1, 1958
Conversion Loan 1931 4½% due 1959	289,693,300	15,933,131	9/Nov. 1, 1959
National Service Loan 1931 5% due 1936	73,535,200	3,976,760	Nov. 15, 1936
National Service Loan 1931 5% due 1941	141,663,000	7,083,150	Nov. 15, 1941
Dom. Canada Loan 1932 4% due 1935	25,000,000	1,000,000	Oct. 15, 1935
Dom. Canada Loan 1932 4% due 1952	56,191,000	2,247,640	4/Oct. 15, 1952
Treasury Bills Mar. 1, 1934 due June 1, 1934	2,450,000	-	June 1, 1934
Treasury Bills Mar. 1, 1934 due Nov. 1, 1934	12,550,000	-	Nov. 1, 1934
Two Year Treasury Notes 4% due Nov. 1, 1934	35,000,000	1,400,000	Nov. 1, 1934
One Year Treasury Bills 3 7/8% due Aug. 1, 1934	50,000,000	1,937,503	Aug. 1, 1934

See footnotes on page 6.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT PAYABLE IN CANADA, CANADA AND NEW YORK, LONDON AND NEW YORK AS AT MARCH 31, 1934 - (Cont'd.)

Description	Amount	Annual Interest Payable Thereon	Date of Maturity
	\$	\$	
Payable in Canada			
Refunding Loan 1933 $3\frac{1}{2}\%$ due 1935	89,393,000	3,128,755	Oct. 15, 1935
Refunding Loan 1933 4% due 1939	47,269,500	1,890,780	Oct. 15, 1939
Refunding Loan 1933 4% due 1945	88,337,500	3,533,500	2/Oct. 15, 1945
	2,085,735,622	100,097,587	
Payable in Canada and New York			
5% Bond Loan 1915-35	874,000	43,700	Aug. 1, 1935
Dom. of Canada War Loan 1917-37 5%	89,787,100	4,489,355	Mar. 1, 1937
Two year Treasury Notes, 4% due Dec. 1, 1932	5,000		
	90,666,100	4,533,055	
Payable in London			
$3\frac{1}{2}\%$ Loan 1884 (1909-34)	23,467,206	821,352	June 1, 1934 or on giving 6 mos. notice
$3\frac{1}{2}\%$ C.P.R. Land Grant Loan due July 1/38	15,056,007	526,960	July 1, 1938
$3\frac{1}{2}\%$ Loan 1930-50	137,058,841	4,797,059	July 1, 1950 or on giving 6 mos. notice
3% Loan 1888 due July 1, 1938	8,071,230	242,137	July 1, 1938
3% Loan 1892 due July 1, 1938	18,250,000	547,500	July 1, 1938
3% Loan 1894 due July 1, 1938	10,950,000	328,500	July 1, 1938
$2\frac{1}{2}\%$ Loan 1897 due Oct. 1, 1947	4,888,185	122,205	Oct. 1, 1947
4% Loan 1940-1960	93,926,667	3,757,067	10/Oct. 1, 1960
4% Loan 1953-1958	73,000,000	2,920,000	7/Sept. 1, 1958
Unpaid Debentures	17,236		
	384,685,372		
Less Sinking Funds	- 69,406,434		
	315,278,938	14,062,780	-
Payable in New York			
5% Public Service Loan 1916 due 1931	2,000		
$5\frac{1}{2}\%$ Bond Loan 1919-1929	3,900		
5% Bond Loan 1922-1952	100,000,000	5,000,000	3/May 1, 1952
$4\frac{1}{2}\%$ Bond Loan 1926-1936	40,000,000	1,800,000	Feb. 1, 1936
4% Bond Loan 1930-1960	100,000,000	4,000,000	11/Oct. 1, 1960
4% 1 year Notes due Oct. 1, 1933	20,000		
4% 15 months Note due Oct. 1, 1934	60,000,000	2,400,000	1/Oct. 1, 1934
	300,025,900	13,200,000	
GRAND TOTAL	12/2,791,706,560	131,893,422	
1/ Subject to redemption on July 1, 1934, or on the first business day of each month thereafter until maturity on thirty days notice.			
2/ Subject to redemption Oct. 15, 1943 or any subsequent interest date on 60 days notice			
3/ Subject to redemption on or after May 1, 1942 on giving 60 days notice.			
4/ Subject to redemption on Oct. 15, 1947, or any subsequent interest date on 60 days notice			
5/ Subject to redemption Nov. 1, 1946 or any subsequent interest date on 60 days notice			
6/ Subject to redemption Nov. 1, 1947 or any subsequent interest date on 60 days notice			
7/ Subject to redemption Sept. 1, 1953 or any subsequent interest date on 3 mos. notice			
8/ Subject to redemption Nov. 1, 1948 or any subsequent interest date on 60 days notice			
9/ Subject to redemption Nov. 1, 1949 or any subsequent interest date on 60 days notice			
10/ Subject to Nov. 1, 1934. 10/ On or after Oct. 1, 1940 on giving three months notice.			
11 Subject to redemption on Oct. 1, 1950 or any subsequent interest date on 60 days notice			
12 Including matured and outstanding funded debt amounting to \$2,476,490.			

TABLE 4.- THE GUARANTEED DEBT SHOWING COUNTRY IN WHICH

PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1934.

Security	Amount of Guarantee Authorized \$	Amount Outstanding at March 31, 1934		Where Payable
		Held by the Public \$	Held by the Minister of Finance \$	
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co., 3 p.c. deb. stock, due 1953, £1,923,287	9,359,997	9,359,997	-	London
2. Canadian Northern Ry. Co., 3½ p.c. deb. stock, due 1958, £1,622,586-19-9	7,896,590	7,896,557	-	†
3. Canadian Northern Ontario Ry. Co., 3½ p.c. deb. stock, due 1961, £7,350,000	35,770,000	34,229,997	1,540,003	London
4. Canadian Northern Alberta Ry. Co., 3½ p.c. deb. stock, due 1960, £647,260-5-6	3,150,000	3,149,999	-	London
5. Grand Trunk Pacific Ry. Co., 3 p.c. bonds, due 1962, £14,000,000	68,040,000	34,992,000	33,048,000	London, New York and Canada
6. Canadian Northern Alberta Ry. Co., 3½ p.c. deb. stock, due 1962, £733,561-12-10	3,570,000	-	3,569,997	London and Canada
7. Canadian Northern Ry. Co., 4 p.c. deb. stock and bonds, due 1934	45,000,000	17,060,333	12,500,000	London, New York and Canada
8. Grand Trunk Pacific Ry. Co., 4 p.c. bonds due 1962, £3,280,000	15,940,800	8,440,848	7,499,952	London, New York and Canada
9. Canadian Northern Ry. Co., 7 p.c. bonds, due 1940	25,000,000	23,779,000	-	New York
10. Grand Trunk Ry. Co., 7 p.c. bonds, due 1940 ..	25,000,000	23,740,000	-	New York
11. Canadian Northern Ry. Co., 6½ p.c. bonds, due 1946	25,000,000	24,238,000	-	New York
12. Grand Trunk Ry. Co., 6 p.c. bonds, due 1936 ..	25,000,000	24,220,000	-	New York
13. Canadian National Ry. Co., 5 p.c. serial equipment bonds, 1923-38	22,500,000	6,750,000	-	Canada
14. Canadian National Ry. Co., 5 p.c. bonds, due 1954	50,000,000	50,000,000	-	Canada
15. Canadian National Ry. Co., 4½ p.c. bonds, due 1954	26,000,000	26,000,000	-	New York and Canada
16. Canadian Northern Ry. Co., 4½ p.c. bonds, due 1935	17,000,000	17,000,000	-	New York and Canada
17. Canadian National Ry. Co., 1927, 2 p.c. guar. deb. stock, £7,176,801	34,927,098	27,178,703	-	London
18. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1957	65,000,000	65,000,000	-	New York and Canada
19. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1968	35,000,000	35,000,000	-	London, New York and Canada
20. Canadian National Ry. Co., 5 p.c. gold bonds, due July 1, 1969	60,000,000	60,000,000	-	London, New York and Canada
21. Canadian National Ry. Co., 5 p.c. gold bonds, due Oct. 1, 1969	60,000,000	60,000,000	-	London, New York and Canada
22. Canadian National Ry. Co., 5 p.c. gold bonds, due 1970	18,000,000	18,000,000	-	London, New York and Canada

† Part of this issue is payable in Canada; part in London and balance in London and Canada.

TABLE 4.- THE GUARANTEED DEBT SHOWING COUNTRY IN WHICH PRINCIPAL
AND INTEREST ARE PAYABLE, MARCH 31, 1934 - Concluded.

Security	Amount of Guarantee Authorized \$	Amount Outstanding at March 31, 1934		Where Payable
		Held by the Public \$	Held by the Minister of Finance \$	
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
23. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1955	50,000,000	50,000,000	-	London, New York and Canada
24. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1956	70,000,000	70,000,000	-	London, New York and Canada
25. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1951	50,000,000	50,000,000	-	London, New York and Canada
TOTALS	847,154,485	746,035,434	58,157,952	
RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -				
26. Grand Trunk Ry., Acquisition Guarantees -				
Grand Trunk 4 p.c. perp. guar. stock, £12,500,000	60,833,333	60,833,333	-	London
Grand Trunk 5 p.c. perp. deb. stock, £4,270,375	20,782,492	20,782,492	-	London
Great Western 5 p.c. perp. deb. stock, £2,723,080	13,252,323	13,252,323	-	London
Grand Trunk 4 p.c. perp. deb. stock, £24,624,455	119,839,014	119,839,014	-	London
Northern Ry. of Canada, 4 p.c. perp. deb. stock £308,215	1,499,980	1,499,980	-	London
TOTALS	216,207,142	216,207,142	-	
OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
27. Harbour Commissioners of Montreal, Montreal South Shore Bridge 5 p.c. bonds due 1969	19,500,000	19,000,000	-	London, New York and Canada
28. Canadian National (West Indies) Steamships Ltd., 5 p.c. bonds, due 1955	10,000,000	9,400,000	-	London, New York and Canada
29. Saint John Harbour Commission -				
(a) Bonded indebtedness of the city of Saint John, assumed by the Commission	1,467,165	1,266,519	-	\$219,000 payable in London, New York and Canada; balance in Canada
(b) Debentures of the Commission issued to the city of Saint John, due 1952	667,953	667,953	-	Canada
30. New Westminster Harbor Commissioners 4½ p.c. debentures due 1948	700,000	700,000	-	New York and Canada
TOTALS	32,335,118	31,034,472	-	
RELIEF ACT GUARANTEES -				
31. Bank Advances, re Beauharnois Light, Heat and Power Company	15,538,500	14,105,559	-	-
32. Bank Advances, re Province of Manitoba Sav- ings Office	12,442,400	10,844,853	-	-
33. Bank Advances, re Government of Newfoundland .	625,000	625,000	-	-
34. Bank Advances, re Canadian Pacific Railway Company	60,000,000	60,000,000	-	-
35. Bank Advances, re Algoma Steel Corporation (order for rails)	660,000	660,000	-	-
36. Bank Advances, re Dominion Steel and Coal Corporation (order for rails)	1,100,000	540,000	-	-
37. Province of British Columbia Treasury Bills ..	626,524	626,524	-	-
38. Province of Manitoba Treasury Bills	5,894,127	5,894,127	-	-
39. Bank Advances, re Wheat Marketing	Unstated	Unstated	-	-

TABLE 5.- DEBT OF PROVINCIAL GOVERNMENTS FOR THEIR RESPECTIVE FISCAL YEARS ENDED IN 1934.

(Subject to revision)

	Funded Debt										Total Indirect Liabilities
	Bonded Debt				Treasury Bills	Net Funded Debt	Other Direct Liabilities	Total Direct Liabilities (Less Sinking Fund)	Assets Available or Realizable Capital, Income and Government Accounts	Total Net Direct Liabilities	
	Sinking Funds		Net Bonded or Debenture Debt								
	Total Gross Bonded or Debenture Debt	Deductible									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Prince Edward Is.	4,554,000	932,629	3,621,371	-	3,621,371	789,885	4,411,256	1,035,192	3,376,064	-	
Nova Scotia	73,476,013	5,119,198	68,356,815	-	68,356,815	7,351,268	75,708,083	23,612,036	52,096,047	438,898	
New Brunswick	63,570,920	7,461,420	56,109,500	940,000	57,049,500	3,891,399	60,940,899	12,740,911	48,199,988	1,670,285	
Quebec	126,518,007	28,529,669	97,988,338	13,500,000	111,488,338	43,252,018	154,740,356	32,364,264	122,376,092	13,096,260	
Ontario	600,454,102	6,415,314	594,038,788	20,935,000	614,973,788	40,787,064	655,760,852	299,240,503	356,520,349	97,782,016	
Manitoba	90,024,906	7,681,778	82,343,128	28,678,910	111,022,038	11,102,681	122,124,719	2,085,128,193	36,996,526	8,298,281	
Saskatchewan	112,868,207	7,431,103	105,437,104	35,665,921	141,103,025	17,597,984	158,701,009	109,145,008	49,556,001	32,567,160	
Alberta	129,055,260	8,457,921	120,597,339	11,545,726	132,143,065	17,546,524,443	186,775,508	1,776,218,768	110,556,740	9,147,298	
British Columbia	129,163,236	28,003,157	101,160,079	12,594,406	113,754,485	8,552,670	122,307,155	3,10,201,871	112,105,284	68,137,857	
TOTAL ALL PROVINCES	1,329,684,651	100,032,189	1,229,652,462	123,859,965	1,353,512,425	187,957,412	1,541,469,837	649,686,746	891,783,091	231,138,055	

1/ Including School Lands Funds.

2/ Figures are for the year 1935.

3/ There were also loans and advances, partially secured (and therefore partly subject to realization) amounting to \$42,399,504.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

- (a) Direct Revenue - Producing Debt. - A considerable portion of provincial bonded debt is due to the investment in or loans to Public Utilities, Boards and Commissions which are of a revenue producing character and reimburse the provinces in the shape of interest payments. These are included in the "Available Assets". The following table will, however, show approximately the value of some of the principal investments.

	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " "	6,640,000
Quebec Streams Commission	7,847,000
Quebec Housing Loan	3,800,000
Ontario Hydro Electric Power Commission	187,829,000
Ontario T. & N. O. Railway	37,200,000
Ontario Housing Loans	3,730,000
Ontario Drainage	2,300,000
Ontario Agricultural Board Investments	50,400,000
Manitoba Government Telephone System	22,000,000
Manitoba Drainage	5,790,000
Manitoba Power Commission	5,000,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,400,000
Saskatchewan Farm Loan Board	15,300,000
Alberta Telephone (Treas. Bills not included)	23,700,000
	<hr/>
	404,294,000

- (b) Indirect Revenue - Producing Debt. - The construction and development of highways and good roads throughout Canada within recent years has been responsible for a great portion of the provincial debenture debt. The following table shows by provinces the amount outstanding at the end of their latest available fiscal years:

PROVINCIAL HIGHWAY DEBENTURES

<u>Province</u>	<u>Year Ending</u>	<u>Amount Outstanding</u>
		\$
Prince Edward Island	Dec. 31, 1934	1,004,774
Nova Scotia	Dec. 31, 1934	34,622,886
New Brunswick	Oct. 31, 1934	40,740,876
Quebec	June 30, 1934	60,677,000
Ontario	Oct. 31, 1934	203,785,482
Manitoba	Apr. 30, 1935	17,795,541
Saskatchewan	Apr. 30, 1935	29,048,905
Alberta	Mar. 31, 1935	34,126,136
British Columbia	Mar. 31, 1934	40,380,728
		<hr/>
		462,182,328

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$45,900,000 for the provincial fiscal years ending in 1933, while the motor tourist expenditure in Canada was estimated at just under \$130,000,000 in 1934. These are indirectly due to provincial investments in highways.

Notes on Indirect Liabilities of Provincial Governments for the year 1934.--

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. They constitute government guarantees for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Nova Scotia. -- Overdrafts for the municipalities of Guysboro and Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines; Loans, Discounts and Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Land Settlement Board and Dehydration Plant.

New Brunswick. -- Bonds, of the Town of Campbellton, Railway Companies, N. B. Cold Storage, Farmers' Co-operative Creamery and Roman Catholic Hospital.

Quebec. -- Debenture and Loan Guarantees to Municipalities of Three Rivers, Terrebonne, Ste. Agathe, Riviere du Loup, Grand'Mere; Hull Court House; Technical Schools in Hull, Montreal, Quebec and Three Rivers; Corporation of Lake St. Louis Bridge. Bank Loans to Quebec Liquor Commission; Cooperative Federee de Quebec; Producteurs de sucre d'erable; Cie de Conserves, Cooperative Avicole du Trois Rivieres; Montreal University and J. T. Lassonde, Boucherville.

Ontario. -- Bonds or Debentures of the municipalities of Bruce Mines, Capreol, Cochrane, Englehart, Haileybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$81,670,006); T. and N. O. and Sandwich, Windsor and Amherstburg Railways; Niagara and Presqu'le Park Commission; Toronto and Western Universities; Municipal Housing Act in certain cities and towns; Department of Education Act and Amendments; Tobacco and Dairy Co-operative Associations.

Manitoba. -- Guarantees of Principal and Interest of Municipalities, C. N. Railway and Farm Loans Association.

In addition, interest only is guaranteed on certain municipal debentures and rentals of leased railways to N. P. Railway Co., as well as Provincial Savings Office liability to Depositors. No stated amounts are given for these items.

Saskatchewan. -- Guarantees of principal and interest of Railway Debentures, Drainage, District Debentures; Advancement of Agricultural and Educational Interests, Saskatchewan Power Commission (operating account); Superannuation Account (Interest accrued) and Dominion Government Seed Grain Advances.

Alberta. -- Guaranteed Bonds and Debentures of Irrigation and Drainage Districts and University of Alberta; guaranteed Bank Loans of Co-operative Credit Societies, Hail Insurance Board, Marketing Association and Miscellaneous.

British Columbia. -- Guarantees Canadian Northern Pacific Railway Co. (\$40,157,523) now operated by C. N. R. (B. C. Government holds first mortgage on all C. N. P. Railway lines within Province); Pacific Great Eastern Railway Co. (\$20,160,000); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the four last named guarantees.

TABLE 6. -- DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1935.

Provinces	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sinking Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
Prince Edward Island	1/ 2,147,650	1/ 449,786	1/ 1,697,864	2/ 470,259	3/ 2,168,122
Nova Scotia	34,165,812	11,527,998	22,637,814	9,981,510	32,619,324
New Brunswick	24,667,909	6,354,333	18,313,576	-	4/ 18,313,576
Quebec	479,608,472	55,626,473	423,981,999	144,019,515	568,001,514
Ontario	494,433,956	57,027,564	437,406,392	132,931,837	570,338,229
Manitoba	96,076,856	34,364,234	61,712,622	19,605,134	81,317,756
Saskatchewan	57,288,400	14,927,414	42,360,986	25,446,715	67,807,701
Alberta	69,455,181	5/22,375,884	47,079,297	7/4,891,185	8/ 51,970,483
British Columbia	128,094,159	29,737,055	98,357,104	11,834,126	110,191,230
TOTAL	1,385,938,395	232,390,741	1,153,547,654	349,180,281	1,502,727,935

1/ City of Charlottetown and seven incorporated towns.

2/ City of Charlottetown only.

3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.

4/ Net Bonded Debt only; Total Liabilities not available.

5/ Cities only.

6/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities not available.

7/ Towns, villages and rural municipalities, only; other liabilities for cities not available.

8/ Gross liabilities for towns, villages and rural municipalities plus net bonded debt for cities.

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CANADA
(DEPARTMENT OF TRADE AND COMMERCE)
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH



THE PUBLIC DEBT OF CANADA
DOMINION, PROVINCIAL AND MUNICIPAL

III

1935

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Colonel J.R. Munro.

PUBLIC DEBT OF CANADA

Statistics of the aggregate public debt of Canada are herewith presented, those for the Dominion Government covering its fiscal year ended March 31st, 1935, while those of the provincial governments represent their respective fiscal years ending in 1935 as follows: Prince Edward Island Dec. 31st, Nova Scotia Nov. 30th, New Brunswick Oct. 31st, Quebec June 30th, Ontario, Alberta and British Columbia Mar. 31st, Manitoba and Saskatchewan April 30th. The debt of Municipal Governments is the liability on December 31, 1934 of all municipalities with the exception of those in Saskatchewan where the debt at April 30th, 1935 is taken. This is the latest available information for municipal debt.

The Aggregate Public Debt of Canada.- Table I gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,314,693,276, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,472,176,197. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of these two forms of debt in 1935 was \$6,786,869,473.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

Dominion net direct debt page 1 and Table 2.
Dominion guaranteed or indirect debt page 2 and Table 4.
Provincial net direct liabilities page 2 and Table 5.
Provincial indirect liabilities page 13 and Table 5.
Direct liabilities of municipalities less sinking funds, etc., page 2 and Table 6.

Net Direct Debt of Dominion Government.- This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: cash assets; specie reserve; advances to provinces for housing loans and unemployment relief, loans to banks, harbour commissions and Canadian Farm Loan Board; advances to foreign governments; soldier and general land settlement and other miscellaneous current accounts. A detailed analysis of net debt will be found in Table 2 which is a reproduction of the Balance Sheet of the Dominion Government as at March 31, 1935.

Funded Debt of the Dominion Government.- The analysis of this debt on March 31st, 1935, will be found in Table 3, showing the portion payable in Canada, in Canada and New York, in London, and in New York. Sinking funds are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2. In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of interest and exchange. Payment of debt in New York on March 31st, 1935 was at a slight premium, but payment of obligations falling due in London at that date were subject to a discount of approximately four cents on the pound sterling. At the present time payment of debt in New York is practically at par, while in London it is at a premium of about four cents on the pound sterling.

Guaranteed Debt of the Dominion Government. - Table 4 gives the details of this debt showing where principal and interest are payable.

Certain interest rates run as high as 6 to 7 per cent so that refunding at lower rates of interest should be possible when existing contracts expire.

It will be seen that some \$216,000,000 of railway securities is guaranteed as to interest only. In other words the government can never be called upon to pay the principal sum.

Debts of Provincial Governments. - Table 5 analyzes the public debt of provincial governments for the year 1935. In it will be found details of the total net direct liabilities as given in summary Table 1.

The total gross bonded debt less sinking funds offsetting same gives the net bonded or debenture debt as \$1,277,404,805. To this are added the treasury bills outstanding totalling \$185,332,114 making the net funded debt \$1,462,736,919. To this sum must be added the Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc., amounting to \$198,950,647, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,661,687,566. There is a further offset to these direct liabilities consisting of available or realizable assets in Capital Account \$554,689,850, Current Account \$59,809,962 and Trust Account \$47,747,513, totalling \$662,247,325. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$999,440,241.

In addition to the direct liabilities there were also indirect or contingent liabilities in each province with the exception of Prince Edward Island. These liabilities arise largely out of guarantees of railway, municipal and other obligations. The totals for each province are shown on Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities. - There are over 4,200 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back the principal and interest of any loans incurred. The Canadian cities in particular have exercised their borrowing privileges as their gross bonded indebtedness in 1934 represented \$1,106,655,113 out of a grand total for all municipalities of \$1,452,850,565.

Table 6 gives an analysis of Municipal Debt in Canada.

There are no statistics obtainable to give a complete statement of available or realizable assets of municipalities throughout Canada, nor is there any information concerning indirect liabilities.

The total direct liabilities less sinking funds are shown for all municipalities in five provinces but incomplete figures are given in the other four provinces, the whole totalling \$1,469,142,077.

TABLE 1.- SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

Circa 1935. (Subject to revision)

NET DIRECT DEBT

	<u>\$</u>	<u>\$</u>
Net Debt of Dominion Government, Mar. 31, 1935	2,846,110,958	
Net Direct Liabilities Provincial Governments, 1935 (Sinking funds and available Capital, Current and Trust Account Assets deducted)	999,440,241	
Direct Liabilities all Canadian Municipalities (Less sinking funds and investments, Dec. 31, 1934)	1,469,142,077	
	<hr/>	
TOTAL NET DIRECT DEBT		5,314,693,276

GUARANTEED OR INDIRECT DEBT

Dominion Government, March 31, 1935.	\$	
Principal and interest guaranteed on Railway and Other Securities	771,119,457	
Interest only guaranteed on Railway Securities	216,207,142	
Guarantees under Relief Acts	1/ 104,525,860	
Bank of Canada, Reserve of Chartered Banks on Deposit	<u>149,028,902</u>	1,240,881,361
Provincial Governments - fiscal years 1935		<hr/> 231,294,836
TOTAL GUARANTEED OR INDIRECT DEBT		<hr/> 1,472,176,197
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA		<hr/> <u>6,786,869,473</u>

1/ Including Bank Advances re Wheat Marketing \$39,274,661, against which grain held and margin moneys amounted to \$36,896,440 leaving a net liability of \$2,378,221 at the valuation then made on the current prices for grains.

TABLE 2 - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1935.

(From the Public Accounts)

Active Assets -		\$
Cash on hand and in banks		16,296,697
Gold Bullion Account		2,443,224
Advances to Provinces, etc.		175,034,198
Advances to Foreign Governments		30,494,720
Soldier and General Land Settlement Loans		44,648,325
Miscellaneous Current Accounts		90,928,247
Total Active Assets		359,845,411
Balance of Liabilities over Active Assets being Net Debt, Mar. 31, 1935 (exclusive of interest accrued and out- standing carried forward)		2,846,110,958
		<u>3,205,956,369</u>
Non-Active Assets -		
Public Works, Canals		242,411,265
Public Works, Railways		442,884,582
Public Works, Miscellaneous		259,118,195
Military Property and Stores		12,035,420
Territorial Accounts		9,895,948
Railway Accounts (old)		88,398,829
Railway Accounts (loans non-active)		655,527,456
Canadian National Steamships (loans non-active)		15,840,634
Miscellaneous Investments and Other Accounts (non-active)		77,192,577
Balance Consolidated Fund as at Mar. 31, 1934		935,419,276
Excess of Expenditure over Revenue, year ended Mar. 31, 1935		107,386,776
		<u>2,846,110,958</u>
Liabilities -		
Bank Circulation Redemption Fund		6,696,471
Post Office Account, Money Orders, Postal Notes, etc.		2,137,533
Post Office Savings Bank Deposits		22,547,006
Insurance and Superannuation Funds		126,166,496
Trust Funds		19,587,159
Contingent and Special Funds		5,625,412
Province Accounts		9,623,817
Interest Due and Outstanding		1,858,613
Funded Debt		3,011,713,862
		<u>3,205,956,369</u>

NOTE: - The Dominion of Canada is also responsible (for public holdings) (a) principal and interest on loans negotiated by railways, under various Acts of Parliament, amounting to \$740,117,976; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$32,335,118; (d) Relief Act guarantees (exclusive of wheat marketing) \$65,251,199 and (e) Chartered Banks reserves on deposit with the Bank of Canada \$149,028,902. (See Table 4 for details).

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
		%	\$	\$	
Canada	1935 - April 30	1 $\frac{3}{4}$	2,540,100	44,452	Treasury Bills
	April 30	2	3,407,630	68,153	" "
	May 1	2.47	18,400,000	454,480	" "
	May 1	2.05	18,300,000	375,150	" "
	June 11	1.75	35,000,000	612,500	" "
	June 22	1.76	15,000,000	264,000	" "
	July 1	5	33,293,471	1,664,673	Debenture Stock-School Lands
	Aug. 1	2 $\frac{7}{8}$	50,000,000	1,437,500	Treasury Bills - One year
	Oct. 15	3 $\frac{1}{2}$	89,393,000	3,128,755	Refunding Loan - 1933
	Oct. 15	4	25,000,000	1,000,000	Dcm. Canada Loan, 1932
	1936 - Oct. 15	2	63,336,000	1,266,720	Refunding Loan, 1934
	Nov. 15	5	79,535,200	3,976,760	National Service Loan, 1931
	1937 - Dec. 1	5 $\frac{1}{2}$	236,299,800	12,996,489	Victory Loan, 1917
	1939 - Oct. 15	4	47,269,500	1,890,780	Refunding Loan, 1933
	Oct. 15	2 $\frac{1}{2}$	7,933,000	198,325	" " 1934
	1940 - Mar. 1	3	115,013,637	3,450,409	Loan of 1935
	Sept. 1	4 $\frac{1}{2}$	75,000,000	3,375,000	Refunding Loan, 1925
	1941 - Nov. 15	5	141,663,000	7,083,150	National Service Loan, 1931
	1942 - Oct. 15	3	40,409,000	1,212,270	Refunding Loan, 1934
	1943 - Oct. 15	5	147,000,100	7,350,005	" " 1923
	1944 - Oct. 15	4 $\frac{1}{2}$	50,000,000	2,250,000	" " 1924
	1/ 1934 - Oct. 15	4	88,337,500	3,533,500	" " 1933
	1946 - Feb. 1	4 $\frac{1}{2}$	45,000,000	2,025,000	" " 1926
	2/ 1949 - Oct. 15	3 $\frac{1}{2}$	138,322,000	4,841,270	" " 1934
	3/ 1952 - Oct. 15	4	56,191,000	2,247,640	Dcm. Canada Loan, 1932
	4/ 1956 - Nov. 1	4 $\frac{1}{2}$	43,125,700	1,940,656	Conversion Loan, 1931
	5/ 1957 - Nov. 1	4 $\frac{1}{2}$	37,523,200	1,688,544	" " 1931
	6/ 1958 - Nov. 1	4 $\frac{1}{2}$	276,687,600	12,450,942	" " 1931
	7/ 1959 - Nov. 1	4 $\frac{1}{2}$	289,693,300	13,036,198	" " 1931
	Demand	6	4,000	240	Dominion Stock Issue "A"
		3 $\frac{1}{2}$	11,400	399	" " " " "B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5 $\frac{1}{2}$	200		" " 1921
			5,900		Dcm. Can. Savings Certificates
		5	400		Prov. Can. Loan Debentures
		6	600		" N.B. " "
			39,166		" Notes, N. S.

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
Canada	Matured	%	\$	\$	
			550		Unpaid Warrants, P.E.I.
			11,955		War Savings Certificates
			79,390		" " and Thrift Cert'f.
		5	9,000		Dom. Can. War Loan, 1915-25
		5	46,900		" " " " 1916-31
		5 $\frac{1}{2}$	56,250		Victory Loan, 1917-22
		5 $\frac{1}{2}$	21,050		" " 1917-27
		5 $\frac{1}{2}$	63,850		" " 1918-23
		5 $\frac{1}{2}$	524,150		" " 1918-33
		5 $\frac{1}{2}$	30,800		" " 1919-24
		5 $\frac{1}{2}$	3,210,000		" " 1919-34
		5 $\frac{1}{2}$	11,100		Renewal Loan, 1922-27
		5 $\frac{1}{2}$	58,400		" " 1922-32
		5	4,700		Refunding Loan, 1923-28
Total Payable in Canada			2,272,877,326	95,864,670	
Canada and New York	1935 - Aug. 1	5	874,000	43,700	Bond Loan, 1915-35
	1937 - Mar. 1	5	89,787,100	4,489,355	Dom. Can. War Loan, 1917
	Matured	4	5,000		Two Year Treasury Notes due Dec. 1/32.
Total Payable in Canada and New York			90,666,100	4,533,055	
London	1938 - July 1	3	8,071,230	242,137	Loan of 1888, £1,658,471-18-11
	July 1	3	18,250,000	547,500	Loan of 1892, £3,750,000
	July 1	3	10,950,000	328,500	Loan of 1894, £2,250,000
	July 1	3 $\frac{1}{2}$	15,056,007	526,960	C.P.R. Land Grant Loan £3,093,700
	1947 - Oct. 1	2 $\frac{1}{2}$	4,888,185	122,205	Loan of 1897, £1,004,421-14-2
8/ 1950 - July 1		3 $\frac{1}{2}$	137,058,841	4,797,059	Loan of 1930, £28,162,775-11-0
9/ 1955 - May 1		3 $\frac{1}{2}$	48,666,667	1,581,667	Loan of 1934, £10,000,000
10/ 1958 - Sept. 1		4	73,000,000	2,920,000	Loan of 1933, £15,000,000
11/ 1960 - Oct. 1		4	93,928,667	3,757,067	Loan of 1940, £19,300,000
	Matured	3 $\frac{1}{2}$	43,604		Loan of 1884, (1909-34)
			17,236		Unpaid Debentures
12/ Less Sinking Funds -			409,928,437		
			54,532,688		
Total Payable in London			355,395,749	14,823,095	

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable - Concluded.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
		%	\$	\$	
New York	1935 - April 30	2	2,737,987	54,760	Treasury Bills
	13/ Sept. 1	2	50,000,000	1,000,000	One Year Notes
	1936 - Feb. 1	4 $\frac{1}{2}$	40,000,000	1,800,000	Bond Loan, 1926
	14/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	15/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	Matured	5	1,000		Public Service
		5 $\frac{1}{2}$	3,700		Loan, 1916-31
		4	10,000		Bond Loan, 1919-29
		4	22,000		One Year Notes, due Oct. 1, 1933
					15 Months Notes, due Oct. 1, 1934
Total Payable in New York			292,774,687	11,854,760	
GRAND TOTAL Funded Debt			3,011,713,862	127,075,580	

- 1/ Subject to redemption on Oct. 15, 1943 or any subsequent interest date on 60 days' notice.
- 2/ " " " " " " 1944 " " " " " " " "
- 3/ " " " " " " 1947 " " " " " " " "
- 4/ " " " " Nov. 1, 1946 " " " " " " " "
- 5/ " " " " " " 1947 " " " " " " " "
- 6/ " " " " " " 1948 " " " " " " " "
- 7/ " " " " " " 1949 " " " " " " " "
- 8/ " " " " or after July 1, 1930 on six months' notice.
- 9/ " " " " " " May 1, 1950 " three " "
- 10/ " " " " " " Sept. 1, 1953 " " " "
- 11/ " " " " " " Oct. 1, 1940 " " " "
- 12/ These sinking funds represent the following items: 3 $\frac{1}{2}$ % Loan 1930-50, \$35,499,085, 4% Loan 1940-60 \$18,393,344, 4% Registered Stock, 1953-58 \$540,032 and 3 $\frac{1}{4}$ % Registered Stock, 1950-55 \$100,227.
- 13/ Subject to redemption as a whole or in part on June 1, 1935 or on the first business day of each month thereafter until maturity on ten days' notice.
- 14/ Subject to redemption on or after May 1, 1942 on 60 days' notice.
- 15/ " " " " Oct. 1, 1950 or any subsequent interest date on 60 days' notice.

TABLE 4 - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1935.

Security	Where Pay- able	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1935.	
			Held by the Public	Held by the Minister of Finance
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1.Canadian Northern Ry. Co.		\$	\$	\$
(a) 3% deb. stock due 1953 £1,923,287-0-0	London	9,359,997	9,359,997	-
(b) 3½ % deb. stock due 1958 £1,622,586-19-9	1/ New York	7,896,590	7,896,555	-
(c) 7 % bonds due 1940	" "	25,000,000	23,779,000	-
(d) 6½ % bonds due 1946	" "	25,000,000	24,238,000	-
2.Canadian North.Ontario Ry. Co.				
(a) 3½ % deb. stock due 1961 £7,350,000-0-0	London	35,770,000	34,229,997	1,540,003
3.Canadian North Alberta Ry. Co.				
(a) 3½ % deb. stock due 1960 £647,260 - 5 - 6	"	3,150,000	3,149,999	-
(b) 3½ % deb. stock due 1962 £733,561 - 12 - 10	London and Canada	3,570,000	-	3,569,997
4.Grand Trunk Pacific Ry. Co.				
(a) 3% bonds due 1962 £14,000,000	2/ London, N.Y., Can.	68,040,000	34,992,000	33,048,000
(b) 4% bonds due 1962 £3,280,000	Lon., N. Y., Can.	15,940,800	8,440,848	7,499,952
5.Grand Trunk Ry. Co.				
(a) 7 % bonds due 1940	New York	25,000,000	23,740,000	-
(b) 6 % " " 1936	" "	25,000,000	24,220,000	-
6.Canadian National Ry. Co.				
(a) 5 % serial equipment bonds, 1923-38	Canada	22,500,000	5,250,000	-
(b) 5 % bonds due 1954	"	50,000,000	50,000,000	-
(c) 4½ % bonds due 1954	N.Y.and Can.	26,000,000	26,000,000	-
(d) 1927, 2 % guar. deb. stock, £7,176,801-0-0	London	34,927,098	26,152,580	-
(e) 4½ % gold bonds, due 1957	N.Y.and Can.	65,000,000	65,000,000	-
(f) 4½ % " " " 1968	Lon.,N.Y., Can.	35,000,000	35,000,000	-
(g) 5 % " " " July 1,1969	" " "	60,000,000	60,000,000	-
(h) 5 % " " " Oct.1,1969	" " "	60,000,000	60,000,000	-
(i) 5 % " " " 1970	" " "	18,000,000	18,000,000	-
(j) 4½ % " " " 1955	" " "	50,000,000	50,000,000	-
(k) 4½ % " " " 1956	" " "	70,000,000	70,000,000	-

1/ Part of this is payable in Canada, part in London and the balance in London and Canada.

2/ London, New York and Canada.

2/ \$219,000 payable in London, New York and Canada; balance in Canada.

TABLE 4 - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1935 - Concluded.

Security	Where Pay-able	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1935.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RELIEF ACT GUARANTEES -				
1. Bank Advances				
(a) Manitoba Savings Office	Canada	12,442,400	8,820,660	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Can. Pacific Railway	"	60,000,000	48,000,000	-
(d) Algoma Steel Corp. (rails)	"	660,000	443,878	-
(e) Dom. Steel and Coal Corp. (rails)	"	1,100,000	841,000	-
(f) Wheat Marketing	"	Unstated	1/ 39,274,661	-
2. Br. Columbia Gov't. (Treas. Bills)	"	626,534	626,534	-
3. Manitoba " " "	"	5,894,127	5,894,127	-
BANK OF CANADA -				
1. Chart. Banks' reserves on deposit	"	-	149,028,902	-

1/ Against these advances grain held and margin moneys amounted to \$36,896,440, leaving a net liability of \$2,378,221 at the valuation then made on the basis of current prices for grains.

TABLE 5 - DEBT OF PROVINCIAL GOVERNMENTS FOR THEIR RESPECTIVE FISCAL YEARS ENDED IN 1935.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities,
Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1935.

(Subject to revision)

	Direct Liabilities							TOTAL Indirect Liabilities
	Funded Debt			Other Direct Liabilities	Total Direct Liabilities, (Less Sinking Funds)	Assets or Realizable Capital, Income and Trust Accounts Deductible	Total Net Direct Liabilities	
	Bonded Debt		Net Funded Debt					
	Total Gross Bonded or Debt	Sinking Funds Deductible						
Prince Edward Island	5,784,000	1,114,033	4,669,967	1,520,682	6,190,649	1,049,890	5,140,759	-
Nova Scotia	85,863,647	5,757,759	80,095,888	6,208,841	86,307,729	27,809,881	58,507,848	1,156,937
New Brunswick	67,562,620	8,044,886	59,517,734	5,627,376	65,145,105	12,717,524	52,427,581	1,792,713
Quebec	149,748,007	17,838,908	132,142,502	44,998,034	191,130,536	50,539,877	140,590,659	10,937,131
Ontario	594,355,135	6,896,645	587,191,343	37,294,574	674,385,917	299,030,187	375,355,730	99,438,753
Manitoba	92,133,676	8,893,056	83,243,550	13,235,966	127,178,093	81,709,543	45,468,550	7,794,253
Saskatchewan	121,109,740	8,449,761	112,659,979	19,523,471	185,789,096	104,821,453	80,966,643	32,779,710
Alberta	129,744,260	9,325,223	119,819,037	59,676,554	195,799,341	69,744,303	126,055,038	9,036,054
British Columbia	127,311,236	29,519,751	97,791,485	10,795,149	129,411,775	14,824,667	114,587,108	68,369,235
Total All Provinces	1,373,321,604	25,916,799	1,277,404,805	198,950,647	1,661,687,566	662,247,325	999,440,241	231,294,836

1. In addition there are secured bonds due from La Banque Can. Nat. amounting to \$13,206,752 to be met by deferred payments and interest thereon. This amount is included in available assets.

2. Including \$1,473,610 owed to Dominion Government. Net amount shown in Provincial Public Accounts.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

- (a) Direct Revenue-Producing Debt. - Of the total bonded debt of the provinces, a considerable portion is due to the investment in, or loans to, public utilities, boards and commissions which are of a revenue-producing character and reimburse the provinces by annual interest payments on the moneys so invested.

In Table 5 the column dealing with "Available or Realizable Assets" includes these investments. The approximate values placed by the various provincial governments on some of such principal revenue-producing investments is evidenced in the following table.

British Columbia considers its similar investments as subject to realization and therefore classifies them under non-revenue bearing assets. The values have therefore, not been shown in Table 5.

	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	7,086,000
Quebec Streams	7,851,000
Quebec Housing Loan	3,468,000
Quebec La Banque Canadienne Nationale	13,206,000
Quebec Toll and Other Bridges	7,753,000
Ontario Hydro Electric Power Commission	187,877,000
Ontario T. & N.O. Railway	37,200,000
Ontario Housing Loans	3,637,000
Ontario Drainage	2,200,000
Ontario Agricultural Board Investigations	50,500,000
Manitoba Government Telephone System	22,000,000
Manitoba Drainage	5,650,000
Manitoba Power Commission	5,000,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,797,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,400,000
Saskatchewan Farm Loan Board	15,300,000
Saskatchewan Co-operative Creameries, Ltd.	2,500,000
Saskatchewan Wheat Pool	12,765,000
Alberta Government Telephone	16,280,000
Alberta Loans to Can. Pac. and Can. Nat. Railways	5,500,000
Alberta Wheat Pool	5,201,000
	<u>452,327,000</u>

- (b) Indirect Revenue-Producing Debt. - The construction and development of highways and good roads throughout Canada within recent years has been responsible for a great portion of the provincial debenture debt. The following table shows by provinces, the amount outstanding at the end of their latest available fiscal years:

PROVINCIAL HIGHWAY DEBENTURES

<u>Province</u>	<u>Year Ending</u>	<u>Amount Outstanding</u>
Prince Edward Island	Dec. 31, 1934	1,004,774
Nova Scotia	Nov. 30, 1935	30,496,495
New Brunswick	Oct. 31, 1935	45,474,355
Quebec	June 30, 1935	70,811,283
Ontario	March 31, 1936	217,075,787
Manitoba	April 30, 1936	17,794,182
Saskatchewan	" " "	33,630,938
Alberta	March 31, "	35,861,450
British Columbia	" "	<u>40,141,070</u>
		492,290,334

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$47,600,000 for the provincial fiscal years ending in 1934, while the motor tourist expenditure in Canada was estimated at slightly over \$202,000,000 in 1935. These are indirectly due to provincial investments in highways.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1935.

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. They constitute government guarantees for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Nova Scotia. - Loans to the municipalities of Inverness and Cape Breton; towns of Inverness and Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines and United Gold fields, Discounts and Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Land Settlement Board and Lake Thomas Syndicate, also guarantees of uncompleted contracts - New Annex Building.

New Brunswick. - Bonds, of the Town of Campbellton, Railway Companies, N. B. Cold Storage, Farmers' Co-operative Creamery and Roman Catholic Hospital and bank advances to Agricultural and other Corporations as well as Workmen's Compensation Board.

Quebec. - Debenture and Loan Guarantees to Municipalities of Three Rivers, Terrebonne, Ste. Agathe, Riviere du Loup, Grand'Mere; Hull Court House; Technical Schools in Hull, Montreal, Quebec and Three Rivers; Corporation of Lake St. Louis Bridge. Bank Loans to Quebec Liquor Commission; Cooperative Federee de Quebec; Producteurs de sucre d'erable; Cie de Conserves, Cooperative Avicole du Trois Rivières; C. A. Bussièrès, Verchères; Valleyfield Canning Co., and Societe Cooperative de Tabac de Farnham.

Ontario. - Bonds or Debentures of the municipalities of Bruce Mines, Capreol, Cochrane, Englehart, Haileybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$83,669,062); T. and N.O. and Sandwich, Windsor and Amherstburg Railways; Niagara and Presqu'le Park Commission; Toronto and Western Universities; Municipal Housing Act in certain cities and towns; Department of Education Act and Amendments; Tobacco, Packers and Dairy Co-operative Associations.

Manitoba. - Guarantees of Principal and Interest of Municipalities, Canadian Northern Railway and Farm Loans Association.

In addition, interest only is guaranteed on certain municipal debentures and rentals of leased railways to Northern Pacific Railway Co., as well as Provincial Savings Office liability to Depositors. No stated amounts are given for these items.

Saskatchewan. - Guarantees of principal and interest of Railway Debentures, Drainage District Debentures; Advancement of Agricultural and Educational Interests, Saskatchewan Power Commission (operating account); Superannuation Account (Interest accrued) and Dominion Government Seed Grain Advances.

Alberta. - Guaranteed Bonds and Debentures of Irrigation and Drainage Districts and University of Alberta; guaranteed Bank Loans of Co-operative Credit Societies, Hail Insurance Board, Marketing Association, Cities of Calgary and Medicine Hat and Miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Co. (\$40,157,523) now operated by Canadian National Railway (B.C. Government holds first mortgage on all Canadian Northern Pacific lines within Province); Pacific Great Eastern Railway Co. (\$20,160,000); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the four last named guarantees. There is also a small guarantee pursuant to "Department of Industries Act, 1919".

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1934.

Provinces	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sinking Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
Prince Edward Island	1/ 2,348,275	1/ 475,050	1/ 1,873,225	2/ 400,067	3/ 2,273,292
Nova Scotia	33,318,115	12,028,475	21,289,640	11,974,281	33,263,921
New Brunswick	26,495,037	6,262,544	20,232,493	-	4/ 20,232,493
Quebec	565,218,160	76,546,747	488,671,413	102,864,773	591,536,186
Ontario	483,952,700	56,610,801	427,341,899	5/ 71,138,799	498,480,698
Manitoba	90,767,215	36,734,019	54,033,196	25,453,976	79,487,172
Saskatchewan	55,692,110	15,306,820	40,385,290	41,581,480	81,966,770
Alberta	67,886,011	20,653,877	47,232,134	9/ 5,387,581	52,619,715
British Columbia	127,172,942	30,804,939	8/ 96,368,003	12,913,827	109,281,830
TOTAL	1,452,850,565	255,423,272	1,197,427,293	271,714,784	1,469,142,077

1/ City of Charlottetown and seven incorporated towns.

2/ City of Charlottetown only.

3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.

4/ Net Bonded Debt only; Total Liabilities not available.

5/ Loans and Contingent Liabilities on Debentures Guaranteed.

6/ Net Bonded Debt, Loans and Contingent Liabilities on Debentures Guaranteed.

7/ Cities only.

8/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities not available.

9/ Towns, Villages and rural municipalities only; Other Liabilities for cities not available.

10/ Gross Liabilities for towns, villages and rural municipalities plus Net Bonded Debt for cities.

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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA

DOMINION AND PROVINCIAL
GOVERNMENTS 1936
AND
MUNICIPALITIES 1935

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Chief, Finance Statistics Branch:

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Colonel J. R. Munro.

PUBLIC DEBT OF CANADA

Statistics of the aggregate public debt of Canada are herewith presented, those for the Dominion Government covering its fiscal year ended March 31st, 1936, while those of the provincial governments represent their respective fiscal years ending in 1936 as follows: Prince Edward Island Dec. 31st, Nova Scotia Nov. 30th, New Brunswick Oct. 31st, Quebec June 30th, Ontario, Alberta and British Columbia Mar. 31st, Manitoba and Saskatchewan April 30th. The debt of Municipal Governments is the liability for the year 1935. This is the latest available information for municipal debt.

The Aggregate Public Debt of Canada. - Table 1 gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,535,744,794, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,503,346,744. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of direct and indirect debt of the Dominion and Provincial governments for 1936 with direct debt of municipalities for 1935 (latest available) amounted to \$7,039,091,538.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

- Dominion net direct debt, notes on page 1 and details, Table 2.
- Dominion funded debt, classified notes on page 1 and details, Table 3.
- Dominion guaranteed or indirect debt, notes on page 2 and details, Table 4.
- Provincial net direct liabilities, notes on page 2 and details, Table 5.
- Provincial indirect liabilities, notes on page 13 and details, Table 5.
- Direct liabilities of municipalities less sinking funds, etc., notes on page 2 and details Table 6.

Net Direct Debt of Dominion Government. - This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: cash assets; gold bullion account; advances to provinces for housing loans and unemployment relief, harbour commissions and Canadian Farm Loan Board; advances to foreign governments; railway accounts; soldier and general land settlement and other miscellaneous current accounts. A detailed analysis of net debt will be found in Table 2, which is a reproduction of the Balance Sheet of the Dominion Government as at March 31, 1936.

Funded Debt of the Dominion Government. - The analysis of this debt on March 31st, 1936 will be found in Table 3, showing the portion payable in Canada, in Canada and New York, in London, and in New York. Sinking funds are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2. In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of interest and exchange. It will be readily understood that fluctuations in the rate of exchange are constantly taking place and in consequence payment of debt and interest thereon, payable elsewhere than in Canada, must be governed by the rate of exchange current on the day that such debt falls due, for instance payment of debt in New York on March 31st, 1936 was practically at par and in London it was at a premium of about eleven cents on the pound sterling, while on March 31st, 1937 the New York rate was practically par and the rate in London was at a premium of about two cents on the pound sterling.

Guaranteed Debt of the Dominion Government. - Table 4 gives the details of this debt showing where principal and interest are payable.

Certain interest rates run as high as 6 to 6½ per cent so that refunding at lower rates of interest should be possible when existing contracts expire.

It will be seen that some \$216,000,000 of railway securities is guaranteed as to interest only. In other words the government can never be called upon to pay the principal sum.

Debts of Provincial Governments. - Table 5 analyses the public debt of provincial governments for the year 1936. In it will be found details of the total net direct liabilities as given in summary Table 1.

The total gross bonded debt less sinking funds offsetting same gives the net bonded or debenture debt as \$1,320,691,244. To this are added the treasury bills outstanding totalling \$232,928,298 making the net funded debt \$1,553,619,542. To this sum must be added the Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc., amounting to \$180,100,165, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,733,719,707. There is a further offset to these direct liabilities consisting of available or realizable assets amounting to \$649,612,505. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$1,084,107,202.

In addition to the direct liabilities there were also indirect or contingent liabilities in each province with the exception of Prince Edward Island. These liabilities arise largely out of guarantees of railway, municipal and other obligations. The totals for each province are shown on Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities. - There are over 4,300 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back the principal and interest of any loans incurred. The Canadian cities in particular have exercised their borrowing privileges as their gross bonded indebtedness in 1935 represented \$1,103,283,809 out of a grand total for all municipalities of \$1,446,120,276.

Table 6 gives an analysis of Municipal Debt in Canada.

There are no statistics obtainable to give a complete statement of available or realizable assets of municipalities throughout Canada, nor is there any information concerning indirect liabilities.

The total direct liabilities less sinking funds are shown for all municipalities in five provinces but incomplete figures are given in the other four provinces, the whole totalling \$1,445,537,075.

TABLE 1. - SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

Circa 1936. (Subject to revision)

NET DIRECT DEBT

	<u>\$</u>	<u>\$</u>
Net Direct Debt of Dominion Government, Mar. 31, 1936	3,006,100,517	
Net Direct Liabilities Provincial Governments, 1936 (Sinking Funds and Available Capital, Current and Trust Account Assets deducted)	1,084,107,202	
Direct Liabilities all Canadian Municipalities, 1935 (Less sinking funds and investments)	1,445,537,075	
TOTAL NET DIRECT DEBT		5,535,744,794

GUARANTEED OR INDIRECT DEBT

	<u>\$</u>	
Dominion Government, March 31, 1936.		
Principal and interest guaranteed on Railway and Other Securities	778,343,114	
Interest only guaranteed on Railway Securities	216,207,142	
Other Guarantees	1/ 284,247,286	1,278,797,542
Provincial Governments - fiscal years 1936		224,549,202
TOTAL GUARANTEED OR INDIRECT DEBT		1,503,346,744
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA		7,039,091,538

1/ Including Bank Advances \$89,523,708, British Columbia and Manitoba Treasury Bills \$6,520,661, Deposits of Chartered Banks in Bank of Canada \$188,202,917. There is also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited. Day to day Margins of the Canadian Wheat Board (closed out daily).

TABLE 2. - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1936.

(From the Public Accounts)

	<u>\$</u>
Active Assets -	
Cash on hand and in banks	20,243,808
Gold Bullion Account	2,236,629
Advances to Provinces, Relief, Housing Loans, etc.	123,764,302
Harbour Commissions	83,152,398
Dominion Housing Act	81,583
Canadian Farm Loan Board	16,789,808
Railway Accounts	46,087,498
Advances to Foreign Governments	30,494,720
Soldier and General Land Settlement Loans	43,594,540
Miscellaneous Current Accounts	59,398,224
	<hr/>
Total Active Assets	425,843,510
Balance of Liabilities over Active Assets being Net Debt, March 31, 1936 (exclusive of interest accrued), carried forward	 <hr/>
	3,006,100,517
	<hr/>
	3,431,944,027
	<hr/>
Non-Active Assets -	
Public Works, Canals	242,855,235
Public Works, Railways	442,910,909
Public Works, Miscellaneous	265,165,018
Military Property and Stores	12,035,421
Territorial Accounts	9,895,948
Railway Accounts (old)	88,398,829
Railway Accounts (loans non-active)	655,527,456
Canadian National Steamships (loans non-active)	15,507,970
Miscellaneous Investments and Other Accounts (non-active)	79,621,230
Balance Consolidated Fund as at March 31, 1935	1,042,806,052
Excess of Expenditure over Revenue, year ended March 31, 1936	151,376,449
	<hr/>
	3,006,100,517
	<hr/>
Liabilities -	
Bank Circulation Redemption Fund	6,857,942
Post Office Account - Money Orders, Postal Notes, etc.	2,726,925
Post Office Savings Bank Deposits	22,047,287
Insurance and Superannuation Funds	150,614,097
Trust Funds	20,943,718
Contingent and Special Funds	6,044,065
Province Debt Accounts	9,623,817
Interest Due and Outstanding	1,739,168
Funded Debt, Less Sinking Funds	3,211,347,008
	<hr/>
	3,431,944,027
	<hr/>

NOTE: The Dominion of Canada is also responsible (for outstanding amounts held by the public) (a) principal and interest on loans negotiated by railways under various Acts of Parliament, amounting to \$747,366,633; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$30,976,481; (d) other guarantees \$284,247,286. (See Table 4 for details.)

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
Canada	1936 - April 1	1.19	25,000,000	297,500	Treasury Bills
	15	1.15	25,000,000	287,500	" "
	May 1	1.09	30,000,000	327,000	" "
	" 15	1.05	20,000,000	210,000	" "
	June 15	0.999	20,000,000	199,800	" "
	July 1	5	33,293,471	1,664,673	Debentures - School Lands
	Sept. 15	1½	45,000,000	675,000	Loan of 1935
	Oct. 15	2	63,336,000	1,266,720	Refunding Loan, 1934
	Nov. 15	5	79,535,200	3,976,760	National Service Loan, 1931
	1937 - Dec. 1	5½	236,299,800	12,996,489	Victory Loan, 1917
	1938 - Oct. 15	2	90,000,000	1,800,000	Loan of 1935
	1939 - Oct. 15	4	47,269,500	1,890,780	Refunding Loan, 1933
	Oct. 15	2½	7,933,000	198,325	" " 1934
	Nov. 15	2	20,000,000	400,000	Loan of 1935
	1940 - Sept. 1	4½	75,000,000	3,375,000	Refunding Loan, 1925
	Nov. 1	3	115,013,637	3,450,409	Loan of 1935
	1941 - Nov. 15	5	141,663,000	7,083,150	National Service Loan, 1931
	1942 - Oct. 15	3	40,409,000	1,212,270	Refunding Loan, 1934
	1943 - June 1	2½	20,000,000	500,000	Loan of 1935
	Oct. 15	5	147,000,100	7,350,005	Refunding Loan, 1923
	1944 - Oct. 15	4½	50,000,000	2,250,000	" " 1924
	1/ 1945 - Oct. 15	4	88,337,500	3,533,500	" " 1933
	1946 - Feb. 1	4½	45,000,000	2,025,000	" " 1926
	2/ 1949 - Oct. 15	3½	138,322,000	4,841,270	" " 1934
	3/ 1952 - Oct. 15	4	56,191,000	2,247,640	Dom. Canada Loan, 1932
	4/ 1955 - June 1	3	40,000,000	1,200,000	Loan of 1935
	4/ June 1	3	55,000,000	1,650,000	" " 1935
	5/ 1956 - Nov. 1	4½	43,125,700	1,940,656	Conversion Loan, 1931
	6/ 1957 - Nov. 1	4½	37,523,200	1,688,544	" " 1931
	7/ 1958 - Nov. 1	4½	276,687,600	12,450,942	" " 1931
	8/ 1959 - Nov. 1	4½	289,693,300	13,036,198	" " 1931
	Demand	6	4,000	240	Dominion Stock, "Issue A"
		3½	10,900	382	" " "Issue B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5½	200		" " 1921
			5,750		Dom. Can. Savings Certificates
		5	400		Prov. Can. Loan Debentures
		6	600		" N.B. " "
			39,166		" Notes, N.S.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
Canada	Matured	%	\$	\$	
			550		Unpaid Warrants, P.E.I.
			11,695		War Savings Certificates
			78,318		" " and Thrift Cert'f.
		5	8,000		Dom. Can. War Loans, 1915 - 25
		5	30,500		" " " " 1916 - 31
		5½	55,000		Victory Loan, 1917 - 22
		5½	16,150		" " 1917 - 27
		5½	58,600		" " 1918 - 23
		5½	372,900		" " 1918 - 33
		5½	30,000		" " 1919 - 24
		5½	986,300		" " 1919 - 34
		5½	10,000		Renewal Loan, 1922 - 27
		5½	40,550		" " 1922 - 32
		5	4,700		Refunding Loan, 1923 - 28
		4	265,000		Dom. Can. Loan, 1932 - 35
		3½	5,000		Refunding Loan, 1933 - 35
Total Payable in Canada			2,403,681,114	96,026,463	
Canada and New York	1937 - Mar. 1	5	89,787,000	4,489,350	Dom. Can. War Loan, 1917
London	1938 - July 1	3	8,071,230	242,137	Loan of 1888, £ 1,658,471-18-11
	July 1	3	18,250,000	547,500	" " 1892, £ 3,750,000
	July 1	3	10,950,000	328,500	" " 1894, £ 2,250,000
	July 1	3½	15,056,007	526,960	C.P.R. Land Grant Loan, £3,093,700
	1947 - Oct. 1	2½	4,888,185	122,205	Loan of 1897, £ 1,004,421-14-2
	9/ 1950 - July 1	3½	137,058,841	4,797,059	" " 1930, £28,162,775-11-0
	10/ 1955 - May 1	3½	48,666,667	1,581,667	" " 1934, £10,000,000
	11/ 1958 - Sept. 1	4	73,000,000	2,920,000	" " 1933, £15,000,000
	12/ 1960 - Oct. 1	4	93,926,667	3,757,067	" " 1940, £19,300,000
	Matured	3½	19,305		Loan of 1884 (1909 - 34)
			17,236		Unpaid Debentures
			409,904,138		
	13/ Less Sinking Funds		58,168,944		
Total Payable in London			351,735,194	14,823,095	

See Footnotes on page 7.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
New York	1939 - Jan. 1	2	40,000,000	800,000	Three Year Notes
	14/ 1945 - Aug. 15	2½	76,000,000	1,900,000	Bond Loan, 1935
	15/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	16/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	17/ 1961 - Jan. 15	3½	48,000,000	1,560,000	" " 1936
	Matured	5½	3,700		Bond Loan, 1919 - 29
		4½	2,140,000		" " 1926 - 36
Total Payable in New York			366,143,700	13,260,000	
GRAND TOTAL FUNDED DEBT			3,211,347,008	128,598,908	

- 1/ Subject to redemption on Oct. 15, 1943 or any subsequent interest date on 60 days' notice.
- 2/ " " " " Oct. 15, 1944 " " " " " " " " " "
- 3/ " " " " Oct. 15, 1947 " " " " " " " " " "
- 4/ " " " " June 1, 1950 " " " " " " " " " "
- 5/ " " " " Nov. 1, 1946 " " " " " " " " " "
- 6/ " " " " Nov. 1, 1947 " " " " " " " " " "
- 7/ " " " " Nov. 1, 1948 " " " " " " " " " "
- 8/ " " " " Nov. 1, 1949 " " " " " " " " " "
- 9/ " " " " or after July 1, 1930, on six months' notice.
- 10/ " " " " " " May 1, 1950, on three months' notice.
- 11/ " " " " " " Sept. 1, 1953, " " " " " "
- 12/ " " " " " " Oct. 1, 1940, " " " " " "
- 13/ These sinking funds represent the following items, 3½ per cent Loan 1930 - 50 \$37,406,291; 4 per cent Loan 1940 - 60 \$19,504,348; 4 per cent Registered Stock 1953 - 58 \$912,587; and 3¼ per cent Registered Stock 1950 - 55 \$345,718.
- 14/ Subject to redemption on Aug. 15, 1943 or on any subsequent interest date on 30 days' notice.
- 15/ " " " " or after May 1, 1942 on 60 days' notice.
- 16/ " " " " Oct. 1, 1950 or on any subsequent interest date on 60 days' notice.
- 17/ " " " " Jan. 15, 1956 " " " " " " " " 30 " "

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1936.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co.				
(a) 3½ deb. stock due 1953				
£ 1,923,287-0-0	London	9,359,997	9,359,997	-
(b) 3½ deb. stock due 1958				
£ 1,622,586-19-9	1/	7,896,590	7,896,548	-
(c) 6½ bonds due 1946	New York	25,000,000	24,238,000	-
2. Canadian North. Ontario Ry. Co.				
(a) 3½ deb. stock due 1961				
£ 7,350,000-0-0	London	35,770,000	34,229,997	1,540,003
3. Canadian North. Alberta Ry. Co.				
(a) 3½ deb. stock due 1960				
£ 647,260-5-6	London	3,150,000	3,149,999	-
(b) 3½ deb. stock due 1962	London and			
£ 733,561-12-10	Canada	3,570,000	-	3,569,997
4. Grand Trunk Pacific Ry. Co.				
(a) 3½ bonds due 1962				
£ 14,000,000	2/ Lon., N.Y., Can.	68,040,000	34,992,000	33,048,000
(b) 4½ bonds due 1962	" " "	15,940,800	8,440,848	7,499,952
5. Grand Trunk Ry. Co.				
(a) 6½ bonds due 1936	New York	25,000,000	24,220,000	-
6. Canadian National Ry. Co.				
(a) 5% serial equipment bonds, 1923 - 38	Canada	22,500,000	3,750,000	-
(b) 5% bonds due 1954	"	50,000,000	50,000,000	-
(c) 1927, 2% guar. deb. stock, £ 7,176,801-0-0	London	34,927,098	25,189,244	-
(d) 4½ gold bonds, due 1957	N.Y. and Can.	65,000,000	65,000,000	-
(e) 5% " " due July 1, 1969	Lon., N.Y., Can.	60,000,000	60,000,000	-
(f) 5% gold bonds, due Oct. 1, 1969	" " "	60,000,000	60,000,000	-
(g) 5% gold bonds, due 1970	" " "	18,000,000	18,000,000	-
(h) 4½ " " " 1955	" " "	50,000,000	50,000,000	-
(i) 4½ " " " 1956	" " "	70,000,000	70,000,000	-
(j) 4½ " " " 1951	" " "	50,000,000	50,000,000	-
(k) 3½ bonds due, 1950	Canada	20,500,000	20,500,000	-

1/ Part of this is payable in Canada, part in London and the balance in London and Canada.

2/ London, New York and Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1936 - Con.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
6. Canadian National Ry. Co. - Conc.				
(1) 2% bonds due 1938	Canada	13,400,000	13,400,000	-
(m) 3% " " 1944	"	35,000,000	35,000,000	-
(n) 2% " " 1943	"	55,000,000	55,000,000	-
(o) 3% " " 1953	"	25,000,000	25,000,000	-
(p) Temporary Bonds	"	2,043,725	-	2,043,725
TOTALS		825,098,210	743,366,633	47,701,677

RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -

1. Grand Trunk Ry. Acquisition Guarantees -				
(a) 4% G.T.R. perp. guar. stock £ 12,500,000	London	60,833,333	60,833,333	-
(b) 4% G.T.R. perp. deb. stock £ 24,624,455	"	119,839,014	119,839,014	-
(c) 5% G.T.R. perp. deb. stock £ 4,270,325	"	20,782,492	20,782,492	-
(d) 5% Gr. West Perp. deb. stock £ 2,723,080	"	13,252,323	13,252,323	-
(e) 4% Northern perp. deb. stock £ 308,215	"	1,499,980	1,499,980	-
TOTALS		216,207,142	216,207,142	-

OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -

1. Montreal Harb. Comm. Jacq. Cartier Bridge, 5% bonds due 1969	London, New York and Canada	19,500,000	19,000,000	-
2. Can. Nat. (W.I.) Steamships, Ltd. 5% bonds due 1955	London, New York and Canada	10,000,000	9,400,000	-
3. St. John Harbour Comm. -				
(a) St. John City Bond. debt assumed	1/	1,467,165	1,208,528	-
(b) Comm. Debent., 1952 issued to city St. John	Canada	667,953	667,953	-
4. New Westminster Harb. Comm. 4% deb. due 1948	New York and Canada	700,000	700,000	-
TOTALS		32,335,118	30,976,481	-

1/ \$219,000 payable in London, New York and Canada; balance in Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1936 - Concluded

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
OTHER GUARANTEES -				
1. Bank Advances -				
(a) Manitoba Savings Office	Canada	12,442,400	7,305,541	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Can. Pacific Railway	"	60,000,000	36,000,000	-
(d) Dom. Steel and Coal Corp.(rails)	"	1,100,000	217,134	-
(e) Grain Marketing -				
1. Can. Co-oper.Wheat Prod. Ltd.				
(Sask. Oats Acc't.)	"	-	375,278	-
2. The Can. Wheat Board	"	60,000,000	45,000,755	-
2. Province of Br. Columbia (Treas.Bills)	"	626,534	626,534	-
3. " " Manitoba " "	"	5,894,127	5,894,127	-
4. Bank of Canada, Chartered Banks				
Deposits	"	Unstated	188,202,917	-
5. Winnipeg Grain and Produce Clearing Association Ltd., Day to day margins of the Can. Wheat Board	"	Unstated	-	-

TABLE 5. - DEBT OF PROVINCIAL GOVERNMENTS AT THE END OF THEIR RESPECTIVE FISCAL YEARS IN 1936.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities, Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1936.

Province	Fiscal Year Endings	D i r e c t L i a b i l i t i e s										Total Indirect Liabilities
		Funded Debt					Other Direct Liabilities (Less Sinking Funds)	Total Direct (Less Sinking Funds)	Assets Available or realizable, Capital, Income and Trust Accounts Deductible	Total Net Direct Liabilities		
		Bonded Debt		Net Bonded or Debt	Treasury Bills	Met Funded Debt						
		Total Gross Bonded or Debt	Sinking Funds Deductible									
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Prince Edward Island	Dec. 31	6,029,000	1,315,832	4,713,168	-	4,713,168	1,676,459	6,399,627	1,063,345	5,326,282	-	
Nova Scotia	Nov. 30	86,974,113	5,822,665	81,151,448	-	81,151,448	7,927,050	89,078,498	25,219,009	63,859,499	591,687	
New Brunswick	Oct. 31	74,049,920	8,816,471	65,233,449	600,000	65,833,449	3,634,304	69,467,753	12,701,980	56,765,773	1,760,497	
Quebec	June 30	164,747,607	21,112,125	143,635,482	26,575,000	170,210,482	47,188,002	217,398,484	49,268,335	168,130,149	10,229,301	
Ontario	Mar. 31	602,027,288	7,914,333	594,112,955	50,000,000	644,112,955	45,445,559	689,558,514	283,519,691	406,038,823	113,966,417	
Manitoba	Apr. 30	95,480,881	9,350,881	86,130,000	28,623,826	114,753,826	12,437,419	127,191,245	78,611,384	48,579,861	7,436,969	
Saskatchewan	Apr. 30	124,446,374	9,585,191	114,861,183	68,189,135	183,050,318	21,464,344	204,514,662	121,280,032	83,234,570	33,691,987	
Alberta	Mar. 31	128,140,260	10,625,979	117,514,281	25,426,750	142,941,031	21,358,709	164,299,740	50,750,414	113,549,326	8,554,346	
British Columbia	Mar. 31	144,398,236	31,058,958	113,339,278	33,513,597	146,852,865	18,968,319	165,821,184	27,198,255	138,622,929	48,315,998	
Total All Provinces		1,426,293,679	105,602,435	1,320,691,244	232,928,298	1,553,619,542	180,100,165	1,733,719,707	649,612,505	1,084,107,202	224,549,202	

1/ In addition to the available assets shown most of the provinces had partially secured loans and advances in connection with Unemployment Relief, while Alberta had partially secured Loans and Advances, and Sale of Contracts for School Lands Fund amounting to over \$12,000,000 and British Columbia had partially secured Projects, Loans and Advances amounting to over \$60,000,000.

2/ Ontario does not consider Dominion Debt Account; Common School Fund; Quebec Turnpike; and, Plant, Live Stock and Equipment, "available assets".

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

(a) Direct Revenue-Producing Debt. - Of the total bonded debt of the provinces, a considerable portion is due to the investment in, or loans to, public utilities, boards and commissions, which are of a revenue-producing character and which reimburse the provinces by annual interest payments on the money so invested. In Table 5 the column dealing with "Available or Realizable Assets" includes these investments. The approximate values placed by the various provincial governments (with the exception of British Columbia) on some of such principal revenue-producing investments is evidenced in the following table. British Columbia considers many similar investments as subject to realization and classifies them under non-revenue bearing assets, the values therefore have not been shown in Table 5 but these Projects, Loans and Advances, largely the P.G.E. Railway, amounted to over \$60,000,000.

Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	6,199,000
Quebec Water Storages	7,853,000
Quebec Housing Loan	1,444,000
Quebec La Banque Canadienne Nationale	12,991,000
Quebec Toll and Other Bridges	8,095,000
Ontario Hydro Electric Power Commission	172,735,000
Ontario T. & N.O. Railway	36,407,000
Ontario Housing Loans	3,349,000
Ontario Drainage	2,047,000
Ontario Agricultural Board Investments	49,700,000
Manitoba Government Telephone System	20,800,000
Manitoba Drainage	5,400,000
Manitoba Power Commission	5,425,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,675,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,499,000
Saskatchewan Farm Loan Board	15,780,000
Saskatchewan Co-operative Creameries Ltd.	2,700,000
Saskatchewan Wheat Pool	12,270,000
Alberta Government Telephone	16,160,000
Alberta Loans to Canadian Pacific and Canadian National Railways	5,500,000
Alberta Wheat Pool	4,977,000
	<u>\$ 431,162,000</u>

(b) Indirect Revenue-Producing Debt. - In addition to the direct revenue-producing debt of utilities, boards and commissions there is a large portion of provincial debt which can be considered as producing revenue indirectly, namely, debentures to meet highway expenditure. While there is no direct revenue from the highways and roads, their construction nevertheless stimulates industries, opens up new territory, and undoubtedly encourages tourist traffic.

PROVINCIAL HIGHWAY DEBENTURES

<u>Province</u>	<u>Year Ending</u>	<u>Amount Outstanding</u>
		\$
Prince Edward Island	Dec. 31, 1934	1,004,774
Nova Scotia	Nov. 30, 1935	30,496,495
New Brunswick	Oct. 31, 1935	45,474,355
Quebec	June 30, 1935	70,811,283
Ontario	March 31, 1936	217,075,787
Manitoba	April 30, 1936	17,794,182
Saskatchewan	" 30 "	33,630,938
Alberta	March 31, "	35,861,450
British Columbia	" 31 "	40,141,070
		<u>492,290,334</u>

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$47,600,000 for the provincial fiscal years ending in 1934, while the motor tourist expenditure in Canada was estimated at slightly over \$202,000,000 in 1935.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1936.

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. They constitute government guarantees for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Nova Scotia. - Loans to the municipalities of Inverness and Cape Breton; town of Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines and United Goldfields, Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Farm Settlement Loan and Lake Thomas Syndicate, also guarantees of uncompleted contracts - New Annex Building.

New Brunswick. - Bonds, of the Town of Campbellton, Railway Companies, New Brunswick Cold Storage, Farmers' Co-operative Creamery, and Roman Catholic Hospital.

Quebec. - Debenture and Loan Guarantees to Municipalities of Three Rivers, Terrebonne, Ste. Agathe, Riviere du Loup, Grand'Mere; Hull Court House; Technical Schools in Hull, Montreal, Quebec and Three Rivers; Corporation of Lake St. Louis Bridge; Bank Loans to Quebec Liquor Commission; Cooperative Federee de Quebec; Producteurs de sucre d'erable; Cie de Conserves; Societe Cooperative Agricole de Grondines, Portneuf; Valleyfield Canning Co., and Societe Cooperative de Tabac de Farnham and Societe Cooperative des Jardiniers Maraichers.

Ontario. - Bonds or Debentures of the municipalities of Teck, Capreol, Cochrane, Englehart, Haileybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$98,000,000); T. & N.O. and Sandwich, Windsor and Amherstburgh Railways; Niagara and Presqu'ile Park Commission; Toronto and Western Universities; Municipal Housing Act in certain cities and towns; Department of Education Act and Amendments; Packers and Dairy Co-operative Associations.

Manitoba. - Guarantees of Principal and Interest of Municipalities, Canadian Northern Railway and Farm Loans Association.

In addition, interest only is guaranteed on certain municipal debentures and rentals of leased railways to Northern Pacific Railway Co., as well as Provincial Savings Office liability to Depositors.

Saskatchewan. - Guarantees to principal and interest of Railway Debentures, Drainage District Debentures, Advancement of Agricultural and Educational Interests, Saskatchewan Power Commission (operating account); Superannuation Account (Interest accrued) and Dominion Government Seed Grain Advances.

Alberta. - Guaranteed Bonds and Debentures of Irrigation and Drainage Districts and University of Alberta; guaranteed Bank Loans of Co-operative Credit Societies, Hail Insurance Board, Irrigation Districts, Marketing Association, Cities of Calgary and Medicine Hat and Miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Co. (\$40,157,523) now operated by Canadian National Railway (British Columbia Government holds first mortgage on all Canadian Northern Pacific lines within Province); Pacific Great Eastern Railway Co. (\$20,160,000); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the four last named guarantees. There is also a small guarantee pursuant to "Department of Industries Act, 1919".

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1935.

Province	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sinking Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
Prince Edward Island	1/ 2,479,550	1/ 522,843	1/ 1,956,707	2/ 407,027	3/ 2,363,734
Nova Scotia	33,866,913	12,367,142	21,499,771	11,697,984	33,197,755
New Brunswick	27,538,998	7,142,948	20,395,950	190,935,435	4/ 20,395,950
Quebec	506,188,121 574,889,112	76,652,767	429,535,354 498,236,352	116,640,644	615,071,195
Ontario	461,653,182	56,833,480	404,819,702	5/ 38,879,128	6/ 443,698,830
Manitoba	95,557,149	42,435,152	53,121,997	21,237,601	74,359,598
Saskatchewan	7/ 55,519,672	8/ 16,522,383	38,997,289	58,707,760	97,705,049
Alberta	67,251,233	9/ 23,022,739	10/ 44,228,494	11/ 6,485,121	12/ 50,713,615
British Columbia	127,370,560	32,209,466	95,161,094	12,870,255	108,031,349
TOTAL	1,374,023,884 1,446,320,276	267,708,920	1,106,316,964 1,178,611,356	340,320,111 267,125,719	1,445,537,075

1/ City of Charlottetown and seven incorporated towns.

2/ City of Charlottetown only.

3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.

4/ Net Bonded Debt only; Total Liabilities not available.

5/ Total Current Liabilities and Capital Loans for cities only. In addition to the above there were \$25,719,175 Contingent or

Guaranteed Liabilities for cities.

6/ Net Bonded Debt for all municipalities plus Total Current Liabilities and Capital Loans for cities only.

7/ School Debt of villages and rural municipalities not included.

8/ School Sinking Funds not included.

9/ Cities only.

10/ Sinking Funds for Cities only have been deducted. Sinking Funds for other municipalities not available.

11/ Towns, Villages and rural municipalities only; other Liabilities for cities not available.

12/ Gross Liabilities for towns, villages and rural municipalities plus Net Bonded Debt for cities.

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DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA
DOMINION AND PROVINCIAL GOVERNMENTS, 1937
AND
MUNICIPALITIES, 1936

APPENDIX. - THE TAX SYSTEMS OF CANADA
DOMINION, PROVINCIAL AND MUNICIPAL GOVERNMENTS



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THE PUBLIC DEBT OF CANADA

DOMINION AND PROVINCIAL GOVERNMENTS, 1937

AND

MUNICIPALITIES, 1936

PREFACE

The Bureau presents herewith its annual bulletin on the aggregate public debt of Canada. The statistics shown for the Dominion Government cover its fiscal year ended March 31st, 1937, while those of the provincial governments are for their respective fiscal years ending in 1937 as given in Table 5, page 13. The municipal debt as shown in Table 6 page 16 is for the calendar year 1936 which is the latest available information.

The cooperation of officials of the various Provincial Treasury and Municipal Affairs Departments is gratefully acknowledged.

Carrying charges and payment of this debt are met largely by taxation, which is the chief source of revenue collected by Dominion, Provincial and Municipal Governments. Many requests have reached the Bureau for information showing the system of tax imposition in Canada. Under the direction of The Tax Research Foundation there was recently published by the Commerce Clearing House Inc., Chicago, Illinois, Loose Leaf Service Division of the Corporation Trust Company, a comprehensive report called "Tax Systems of the World". which contains descriptive tables showing the forms of taxation in Canada. The Editor is Mr. Mayne S. Howard, Deputy Commissioner and Statistician of the Department of Taxation and Finance of the State of New York.

The tables referring to Canada were prepared by the Dominion Department of Finance, Provincial Treasury Officials, University Professors, and in one instance a private law firm. These are reprinted herewith by permission of the editors and publishers, as an appendix to this bulletin. These tables have been copyrighted by The Tax Research Foundation.

This publication has been prepared under the supervision of Col. J. R. Munro, Chief of the Finance Statistics Branch.



Dominion Statistician.

Ottawa, June 23, 1938.

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DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH
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Dominion Statistician:
Chief, Finance Statistics Branch:

R. H. Coats, LL.D., F.R.S.C.,
Colonel J. R. Munro.

PUBLIC DEBT OF CANADA

The Aggregate Public Debt of Canada. - Table 1 gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,699,070,680, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,463,092,433. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of direct and indirect debt of the Dominion and Provincial governments for 1937 with direct debt of municipalities for 1936 (latest available) amounted to \$7,162,163,113.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

- Dominion net direct debt, notes on page 3 and details, Table 2.
- Dominion funded debt, classified notes on page 3 and details, Table 3.
- Dominion guaranteed or indirect debt, notes on page 4 and details, Table 4.
- Provincial net direct liabilities, notes on page 4 and details, Table 5.
- Provincial indirect liabilities, notes on page 15 and details, Table 5.
- Direct liabilities of municipalities less sinking funds, etc., notes on page 4 and details, Table 6.

Net Direct Debt of Dominion Government. - This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: Cash on hand and in banks; Bank of Canada class "B" shares; Advances to Provinces for Unemployment Relief, Housing Loans and Alberta Subsidy over payment; Other Advances to National Harbours Board, New Westminster Harbour Commission, Dominion Housing Act, Canadian Farm Loans Board, Canadian Fisherman's Loan Act, Foreign Governments; Railway Accounts; Soldier and General Land Settlement Loans; Miscellaneous Current Accounts including advances to Royal Canadian Mint, Canadian Government Railway Accounts, Unamortized Discount and Commission on Loans, etc. A detailed analysis of net debt will be found in Table 2, which is a reproduction of the Balance Sheet of the Dominion Government as at March 31, 1937.

Funded Debt of the Dominion Government. - The analysis of this debt on March 31st, 1937 will be found in Table 3, showing the portion payable in Canada, in Canada and New York, in London, and in New York. Sinking funds are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2. In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of interest and exchange. It will be readily understood that fluctuations in the rate of exchange are constantly taking place and in consequence payment of debt and interest thereon, payable elsewhere than in Canada, must be governed by the rate of exchange current on the day that such debt falls due, for instance payment of debt in New York on March 31st, 1937 was practically at par but in London there was a premium of about two cents on the pound sterling, while on March 31st, 1938 there was a premium of three-tenths of a cent on New York funds and the rate in London was at a premium of thirteen cents on the pound sterling.

Guaranteed Debt of the Dominion Government. - Table 4 gives the details of this debt showing where principal and interest are payable.

Certain interest rates run as high as $6\frac{1}{2}$ per cent so that refunding at lower rates of interest should be possible when existing contracts expire.

It will be seen that some \$216,000,000 of railway securities is guaranteed as to interest only. In other words the government can never be called upon to pay the principal sum.

Debts of Provincial Governments. - Table 5 analyzes the public debt of provincial governments for the year 1937. In it will be found details of the total net direct liabilities as given in summary Table 1.

The total gross bonded debt less sinking funds offsetting same gives the net bonded or debenture debt as \$1,328,697,829. To this are added the treasury bills outstanding totalling \$239,348,174 making the net funded debt \$1,568,046,003. To this sum must be added the Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc., amounting to \$180,410,972, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,748,456,975. There is a further offset to these direct liabilities consisting of available or realizable assets amounting to \$548,976,216. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$1,199,480,759.

In addition to the direct liabilities there were also indirect or contingent liabilities in each province with the exception of Prince Edward Island. These liabilities arise largely out of guarantees of railway, municipal and other obligations. The totals for each province are shown on Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities. - There are over 4,300 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back the principal and interest of any loans incurred. The gross bonded indebtedness of all municipalities amounted to \$1,447,611,328 in 1936 and that of the cities would approximate 75 per cent of the total.

Table 6 gives an analysis of Municipal Debt in Canada.

There are no statistics obtainable to give a complete statement of available or realizable assets of municipalities throughout Canada, nor is there any information concerning indirect liabilities.

The total direct liabilities less sinking funds are shown for all municipalities in five provinces but incomplete figures are given in the other four provinces, the whole totalling \$1,415,637,719.

TABLE 1. - SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

Circa 1937.

NET DIRECT DEBT

	<u>\$</u>	<u>\$</u>
Net Direct Debt of Dominion Government, Mar. 31, 1937	3,083,952,202	
Net Direct Liabilities Provincial Governments, 1937 (Sinking Funds and Available Capital, Current and Trust Account Assets deducted)	1,199,480,759	
Direct Liabilities all Canadian Municipalities, 1936 (Less sinking funds and investments)	1,415,637,719	
TOTAL NET DIRECT DEBT		5,699,070,680

GUARANTEED OR INDIRECT DEBT

	<u>\$</u>	
Dominion Government (amount held by the public) March 31, 1937:		
Guaranteed Securities -		
Guaranteed as to Principal and Interest -		
Railway	756,163,072	
Other	30,965,595	
Guaranteed as to Interest only -		
Railway	216,207,142	
Other Guarantees	1/ 209,111,482	1,212,447,291
Provincial Governments - fiscal years 1937		250,645,142
TOTAL GUARANTEED OR INDIRECT DEBT of Dominion and Provincial Governments		1,463,092,433
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA		7,162,163,113

1/ Including Bank Advances \$8,220,067, British Columbia and Manitoba Treasury Bills \$6,255,298, Deposits of Chartered Banks in Bank of Canada \$194,275,314. There was also an unstated amount guaranteed for the Winnipeg grain and Produce Clearing Association Limited. Day to day margins at the Canadian Wheat Board (closed out daily). Also there was \$60,000,000 authorized as a guarantee for Bank advances re Grain Marketing for the Canadian Wheat Board against which no amount was shown as outstanding at at March 31, 1937.

TABLE 2. - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1937.
(From the Public Accounts)

	\$
Active Assets -	
Cash on hand and in banks	26,239,458
Bank of Canada class "B" shares	5,100,000
Advances:	
To Provinces:	
Unemployment Relief	113,502,587
Housing Loans	4,730,388
Alberta subsidy overpayment	468,750
Other:	
National Harbours Board	83,201,117
New Westminster Harbour Commission	274,537
Dominion Housing Act	1,076,492
Canadian Farm Loan Board	27,750,379
Canadian Fisherman's Loan Act	10,000
Foreign Governments	30,494,720
Railway Accounts:	56,335,222
Soldier and General Land Settlement Loans	42,477,774
Miscellaneous Current Accounts including Advances to Royal Canadian Mint, Canadian Government Railway Accounts, Unamortized Discount and Commission on Loans, etc.	66,907,513
Total Active Assets	458,568,937
Balance of Liabilities over Active Assets being Net Debt, March 31, 1937 (exclusive of interest accrued), carried forward	3,083,952,202
	<u>3,542,521,139</u>
Non-Active Assets -	
Public Works, Canals	242,726,334
Public Works, Railways	443,109,941
Public Works, Miscellaneous	267,970,363
Military Property and Stores	12,035,420
Territorial Accounts	9,895,948
Railway Accounts (old)	88,398,829
Railway Accounts (loans non-active)	655,527,456
Canadian National Steamships (loans non-active)	13,754,191
Miscellaneous Investments and Other Accounts (non-active)	100,482,811
Balance Consolidated Fund as at March 31, 1936	1,194,182,502
Excess Expenditure over Revenue, year ended March 31, 1937	55,868,407
	<u>3,083,952,202</u>
Liabilities -	
Bank Circulation Redemption Fund	7,019,898
Post Office Account - Money Orders, Postal Notes, etc.	4,074,164
Post Office Savings Bank Deposits	21,879,593
Insurance and Superannuation Funds	176,973,747
Trust Funds	20,933,993
Contingent and Special Funds	13,597,412
Province Debt Accounts	9,623,817
Interest Due and Outstanding	3,351,844
Funded Debt, Less Sinking Funds	3,285,066,671
	<u>3,542,521,139</u>

NOTE: The Dominion of Canada is also responsible (for outstanding amounts held by the public) (a) principal and interest on loans negotiated by railways under various Acts of Parliament amounting to \$756,163,072; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$30,965,595; (d) other guarantees \$209,111,482. (See Table 4 for details).

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1937.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
Canada	1937 - April 1	.745	25,000,000	186,250	Treasury Bills
	April 15	.747	25,000,000	186,750	" "
	May 1	.758	30,000,000	227,400	" "
	May 15	.776	25,000,000	194,000	" "
	June 1	.794	20,000,000	158,800	" "
	June 15	.804	25,000,000	201,000	" "
	July 1	4	33,293,471	1,331,739	Debentures - School Lands
	Dec. 1	5½	236,299,800	12,996,489	Victory Loan, 1917
	1938 - Oct. 15	2	90,000,000	1,800,000	Loan of 1935
	1939 - Oct. 15	4	47,269,500	1,890,780	Refunding Loan, 1933
	Oct. 15	2½	7,933,000	198,325	" " 1934
	Nov. 15	2	20,000,000	400,000	Loan of 1935
	1940 - Mar. 1	3	115,013,637	3,450,409	" " 1935
	June 1	1½	80,000,000	1,200,000	" " 1936
	Sept. 1	4½	75,000,000	3,375,000	Refunding Loan, 1925
	1941 - Mar. 15	1	45,000,000	450,000	4½ year Notes, 1936 - 41
	Nov. 15	5	141,663,000	7,083,150	National Service Loan, 1931
	1942 - Oct. 15	3	40,409,000	1,212,270	Refunding Loan, 1934
	1943 - June 1	2½	20,000,000	500,000	Loan of 1935
	Oct. 15	5	147,000,100	7,350,005	Refunding Loan, 1923
	1944 - Oct. 15	4½	50,000,000	2,250,000	" " 1924
1/	1945 - Oct. 15	4	88,337,500	3,533,500	" " 1933
	1946 - Feb. 1	4½	45,000,000	2,025,000	" " 1926
2/	1949 - Oct. 15	3½	138,322,000	4,841,270	" " 1934
3/	1952 - Oct. 15	4	56,191,000	2,247,640	Loan of 1932
4/	1955 - June 1	3	40,000,000	1,200,000	" " 1935 dated June 1
4/	June 1	3	55,000,000	1,650,000	" " 1935 " Nov. 15
5/	1956 - Nov. 1	4½	43,125,700	1,940,656	Conversion Loan, 1931
6/	1957 - Nov. 1	4½	37,523,200	1,688,544	" " 1931
7/	1958 - Nov. 1	4½	276,687,600	12,450,942	" " 1931
8/	1959 - Nov. 1	4½	289,693,300	13,036,198	" " 1931
9/	1966 - June 1	3½	54,703,000	1,777,848	Loan of 1936
10/	Sept. 15	3	55,000,000	1,650,000	Perpetual Loan of 1936
	Demand	6	4,000	240	Dominion Stock "Issue A"
		3½	10,600	371	" " "Issue B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5½	200		" " 1921
			5,545		Dom. Can. Savings Certificates
			11,575		War Savings Certificates

See footnotes on page 9.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1937.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description	
Canada	Matured	%	\$	\$	War Savings and Thrift Stamps	
		5	77,421		Prov. Can. Loan Debentures	
		6	400		" N.B. " "	
			600		Provincial Notes, N. S.	
			39,166		Unpaid Warrants, P. E. I.	
			550		Dom. Can. War Loans, 1915 - 25	
		5	8,000		" " " " 1916 - 31	
		5	26,400		Victory Loan, 1917 - 22	
		5½	45,600		" " 1917 - 27	
		5½	14,050		" " 1918 - 23	
		5½	54,250		" " 1918 - 33	
		5½	318,550		" " 1919 - 24	
		5½	29,000		" " 1919 - 34	
		5½	523,850		Renewal Loan, 1922 - 27	
		5½	9,250		" " 1922 - 32	
		5½	29,950		Refunding Loan, 1923 - 28	
		5	3,100		" " 1933 - 35	
		3½	5,000		" " 1934 - 36	
		2	3,000		Nat. Service Loan, 1931 - 36	
5	2,340,600		Loan of 1932 - 35			
4	22,000					
Total Payable in Canada			2,482,061,292	94,685,286		
Canada and New York	Matured	5	5,736,600		Dom. Can. War Loan, 1917 - 37	
London	1938 - July 1	3	8,071,230	242,137	Loan of 1888 £1,658,471-18-11	
	July 1	3	18,250,000	547,500	" " 1892 £3,750,000	
	July 1	3	10,950,000	328,500	" " 1894 £2,250,000	
	July 1	3½	15,056,007	526,960	C.P.R. Land Grant Loan, £3,093,700	
	1947 - Oct. 1	2½	4,888,185	122,205	Loan of 1897 £1,004,421-14-2	
	11/ 1950 - July 1	3½	137,058,841	4,797,059	" " 1930 £28,162,775-11-0	
	12/ 1955 - May 1	3½	48,666,667	1,581,667	" " 1934 £10,000,000	
	13/ 1958 - Sept. 1	4	73,000,000	2,920,000	" " 1933 £15,000,000	
	14/ 1960 - Oct. 1	4	93,926,667	3,757,067	" " 1940 £19,300,000	
	Matured	3½	254		Loan of 1884 (1909 - 34) Unpaid Debentures	
			17,236			
	15/ Less Sinking Funds		409,885,087			
			61,815,008			
	Total Payable in London			348,070,079	14,823,095	

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1937

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
New York	1939 - Jan. 1	2	40,000,000	800,000	Three Year Notes
	16/ 1944 - Jan. 15	2½	30,000,000	675,000	Loan of 1937
	17/ 1945 - Aug. 15	2½	76,000,000	1,900,000	" " 1935
	18/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	19/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	20/ 1961 - Jan. 15	3½	48,000,000	1,560,000	" " 1936
	21/ 1967 - Jan. 15	3	55,000,000	1,650,000	" " 1937
	Matured	5½	2,700		Loan of 1919 - 29
		4½	196,000		Loan of 1926 - 36
Total Payable in New York			449,198,700	15,585,000	
GRAND TOTAL FUNDED DEBT			3,285,066,671	125,093,381	

- 1/ Subject to redemption as a whole on Oct. 15, 1943 or any subsequent interest date on 60 days' notice.
 - 2/ " " " " " " " " Oct. 15, 1944 " " " " " " " " "
 - 3/ " " " " " " " " Oct. 15, 1947 " " " " " " " " "
 - 4/ " " " " " " " " June 1, 1950 " " " " " " " " "
 - 5/ " " " " " " " " Nov. 1, 1946 " " " " " " " " "
 - 6/ " " " " " " " " Nov. 1, 1947 " " " " " " " " "
 - 7/ " " " " " " " " Nov. 1, 1948 " " " " " " " " "
 - 8/ " " " " " " " " Nov. 1, 1949 " " " " " " " " "
 - 9/ " " " " " " " " June 1, 1956 " " " " " " " " "
 - 10/ " " " " in whole or in part on or after Sept. 15, 1966 on 60 days' notice.
 - 11/ " " " " on or after July 1, 1930 on six months' notice.
 - 12/ " " " " in whole or in part on or after May 1, 1950 on three months' notice.
 - 13/ " " " " " " " " " " Sept. 1, 1953 " " " " "
 - 14/ " " " " " " " " " " Oct. 1, 1940 " " " " "
 - 15/ These sinking funds represent the following items, 3½ per cent loan 1930 - 50 \$39,303,632; 4 per cent loan of 1940 - 60 \$20,625,655; 4 per cent Registered Stock 1953 - 58 \$1,292,187; and 3¼ per cent loan of 1950 - 55 \$593,534.
 - 16/ Subject to redemption as a whole on or after Jan. 15, 1943 on 30 days' notice.
 - 17/ Subject to redemption in whole or in part on Aug. 15, 1943 or any subsequent interest date on 30 days' notice.
 - 18/ " " " " as a whole on or after May 1, 1942 on 60 days' notice.
 - 19/ " " " " " " " " Oct. 1, 1950 or any subsequent interest date on 60 days' notice.
 - 20/ " " " " " " " " or in part on Jan. 15, 1956 or any subsequent interest date on 30 days' notice.
 - 21/ " " " " in whole or in part on any interest date on 60 days notice as follows: notice.
- To and including January 15, 1942, at 105 per cent. Thereafter to and including Jan. 15, 1947, at 104 per cent.
 Thereafter to and including Jan. 15, 1952 at 103 per cent. " " " " Jan. 15, 1957, at 102 per cent.
 " " " " Jan. 15, 1962 " 101 per cent. " at 100 per cent.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1937.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1937	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED				
AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co.				
(a) 3% deb. stock due 1953	London	9,359,997	9,359,997	-
£ 1,923,287-0-0				
(b) 3½% deb. stock due 1958	1/ New York	7,896,590	7,896,546	-
£ 1,622,586-19-9				
(c) 6½% bonds due 1946	New York	25,000,000	24,238,000	-
2. Canadian North. Ontario Ry. Co.				
(a) 3½% deb. stock due 1961	London	35,770,000	34,229,997	1,540,003
£ 7,350,000-0-0				
3. Canadian North. Alberta Ry. Co.				
(a) 3½% deb. stock due 1960	London	3,150,000	3,149,999	-
£ 647,260-5-6				
(b) 3½% deb. stock due 1962	London and Canada	3,570,000	-	3,569,997
£ 733-561-12-10				
4. Grand Trunk Pacific Ry. Co.				
(a) 3% bonds due 1962	2/ Lon., N.Y., Can.	68,040,000	34,992,000	33,048,000
£ 14,000,000-0-0				
(b) 4% bonds due 1962	" " "	15,940,800	8,440,848	7,499,952
£ 3,280,000-0-0				
5. Canadian National Ry. Co.				
(a) 5% serial equipment bonds, 1923-38	Canada	22,500,000	2,250,000	-
(b) 5% bonds due 1954	"	50,000,000	50,000,000	-
(c) 1927, 2% guar. deb. stock	London	34,927,098	24,205,685	-
£ 7,176,801-0-0				
(d) 4½% gold bonds, due 1957	N.Y., and Can.	65,000,000	65,000,000	-
(e) 5% gold bonds, due July 1, 1969	Lon., N.Y., Can.	60,000,000	60,000,000	-
(f) 5% gold bonds, due Oct. 1, 1969				
(g) 5% gold bonds, due 1970	" " "	18,000,000	18,000,000	-
(h) 4½% gold bonds, due 1955	" " "	50,000,000	50,000,000	-
(i) 4½% " " " 1956	" " "	70,000,000	70,000,000	-
(j) 4½% " " " 1951	" " "	50,000,000	50,000,000	-
(k) 3% bonds, due 1950	Canada	20,500,000	20,500,000	-
(l) 2% " " 1938	"	13,400,000	13,400,000	-
(m) 3% " " 1944	"	35,000,000	35,000,000	-

1/ Part of this payable in Canada, part in London and the balance in London and Canada.

2/ London, New York and Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1937. - Con.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1937.	
			Held by the Public	Held by the Minister of Finance
			\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
5. Canadian National Ry. Co. - Conc.				
(n) 2% bonds due, 1943	Canada	55,000,000	55,000,000	-
(o) 3% " " 1953	"	25,000,000	25,000,000	-
(p) 2 1/4% " " 1944	"	15,500,000	15,500,000	-
(q) 3% " " 1952	"	20,000,000	20,000,000	-
TOTALS		833,554,485	756,163,072	45,657,952
RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -				
1. Grand Trunk Ry. Acquisition Guarantees -				
(a) 4% G.T.R. perp. guar. stock £ 12,500,000-0-0	London	60,833,333	60,833,333	-
(b) 4% G.T.R. perp. deb. stock £ 24,624,455-0-0	"	119,839,014	119,839,014	-
(c) 5% G.T.R. perp. deb. stock £ 4,270,375-0-0	"	20,782,492	20,782,492	-
(d) 5% Gr. West. Perp. deb. stock £ 2,723,080-0-0	"	13,252,323	13,252,323	-
(e) 4% Northern perp. deb. stock £ 308,215-0-0	"	1,499,980	1,499,980	-
TOTALS		216,207,142	216,207,142	-
OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Montreal Harb. Comm. Jacq. Cartier Bridge, 5% bonds due 1969	London, New York and Canada	19,500,000	19,000,000	-
2. Can. Nat. (W.I.) Steamships, Ltd. 5% bonds due 1955	London, New York and Canada	10,000,000	9,400,000	-
3. Saint John Harbour Comm. -				
(a) Saint John City Bond Debt assumed	1/	1,467,165	1,197,642	-
(b) Comm. Debent., issued to city Saint John, 5% due Aug. 1, 1952	Canada	667,953	667,953	-
4. New Westminster Harb. Comm. 4 1/2% deb. due 1948	New York and Canada	700,000	700,000	-
TOTALS		32,335,118	30,965,595	-

1/ \$219,000 payable in London, New York and Canada; balance in Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1937 - Concluded.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1937	
			Held by the Public	Held by the Minister of Finance
OTHER GUARANTEES -				
1. Bank Advances -				
(a) Manitoba Savings Office	Canada	12,442,400	7,062,988	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Dom. Steel and Coal Corp. (rails)	"	1,100,000	142,965	-
(d) Grain Marketing -				
(1) Can. Co-op. Wheat Prod. Ltd. (Sask. Oats Acc't.)	"	-	389,114	-
(2) The Can. Wheat Board	"	60,000,000	-	-
2. Province of Br. Columbia (Treas. Bills)				
	"	626,534	626,534	-
3. Province of Manitoba (Treas. Bills)				
	"	5,894,127	5,628,764	-
4. Bank of Canada, Chartered Banks Deposits				
	"	Unstated	194,275,314	-
5. The Home Improvement Loans Guarantee Act by approved lending institutions				
	"	7,500,000	360,803	-
6. Winnipeg Grain and Produce Clearing Association Ltd. Day to day margins of the Can. Wheat Board				
	"	Unstated	-	-

TABLE 5. - DEBT OF PROVINCIAL GOVERNMENTS AT THE END OF THEIR RESPECTIVE FISCAL YEARS IN 1937.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities,
Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1937.

Provinces	Fiscal Year Endings	D i r e c t L i a b i l i t i e s										
		Funded Debt					Other Direct Liabilities	Total Direct Liabilities (Less Sinking funds)	1/ Less Assets Available or Realizable	Total Net Direct Liabilities	Total Indirect Liabilities	
		Bonded Debt		Net Debt		Treasury Bills						
		Total Gross Bonded or Debenture Debt	Less Sinking Funds	Net Bonded or Debenture Debt	Net Debt							
Prince Edward Island	Dec. 31	6,104,000	1,445,683	4,658,317	4,658,317	-	-	4,658,317	2,095,660	6,753,977	5,795,678	-
Nova Scotia	Nov. 30	95,219,247	6,371,632	88,847,615	88,847,615	-	-	88,847,615	6,053,366	94,900,981	68,295,333	502,031
New Brunswick	Oct. 31	76,613,920	2/10,032,833	66,581,087	66,581,087	5,865,000	72,446,087	6,160,768	78,606,855	13,194,172	65,412,683	1,948,660
Quebec	June 30	195,170,199	3/21,526,965	173,643,234	173,643,234	22,250,000	195,893,234	51,439,965	247,333,199	55,313,938	192,019,261	8,932,250
Ontario	Mar. 31	576,886,147	8,913,016	567,973,131	567,973,131	38,000,000	605,973,131	50,487,217	656,460,348	251,024,309	405,436,039	138,375,600
Manitoba	Apr. 30	94,966,481	10,121,984	84,840,497	84,840,497	33,191,158	118,031,655	5/10,565,886	128,597,541	5/60,828,401	67,769,140	7,355,409
Saskatchewan	Apr. 30	124,043,319	11,414,644	112,628,675	112,628,675	75,758,532	188,387,207	6/11,103,661	199,490,868	6/71,512,855	127,978,013	37,312,658
Alberta	Mar. 31	127,999,260	11,399,555	116,599,705	116,599,705	26,887,498	143,487,203	19,475,507	162,962,710	7/38,621,544	124,341,166	7,795,619
British Columbia	Mar. 31	145,546,236	32,620,668	112,925,568	112,925,568	37,395,986	150,321,554	23,028,942	173,350,496	30,917,050	142,433,446	48,422,915
Total All Provinces		1,442,544,809	113,846,980	1,328,697,829	1,328,697,829	239,348,174	1,568,046,003	180,410,972	1,748,456,975	548,976,216	1,199,480,759	250,645,142

1/ In addition to the available assets shown, most of the provinces had partially secured loans and advances for Railways, Dyking Districts, Unemployment Relief, Seed Grain Relief, etc., a large portion of which will be realizable.

2/ Including Balance at credit with the Dominion Government, \$529,299.

3/ In addition there are secured bonds due from la Banque Canadienne Nationale amounting to \$12,765,227 to be met by deferred payments and interest thereon. This amount is included in "Assets Available".

4/ In classifying "Available Assets", Ontario does not include Dominion Debt Account, Common School Fund, Quebec Turnpike, and Plant, Live Stock and Equipment.

5/ Other Capital Funds in Trust are not considered as "Liabilities" nor School Lands and certain Trust Accounts as "Assets".

6/ Sinking Fund Reserves and Trust Accounts, including School Lands, are not considered as "Liabilities" nor "Assets".

7/ School Lands Fund, cash and investments are not included under "Assets".

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

(a) Direct Revenue-Producing Debt. - Of the total bonded debt of the provinces, a considerable portion is due to the investment in, or loans to, public utilities, boards and commissions, which are of a revenue-producing character and which reimburse the provinces by annual interest payments on the money so invested. In Table 5 the column dealing with "Available or Realizable Assets" includes these investments. The approximate values placed by the various provincial governments (with the exception of British Columbia) on some of such principal revenue-producing investments is evidenced in the following table. British Columbia considers many similar investments as subject to realization and classifies them under non-revenue bearing assets, the values therefore have not been shown in Table 5 but these Projects, Loans and Advances, largely the P. G. E. Railway, amounted to over \$60,000,000.

	1937
	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	8,465,000
Quebec Water Storages	1/ 7,853,000
Quebec Housing Loan	1/ 1,444,000
Quebec La Banque Canadienne Nationale	1/ 12,991,000
Quebec Toll and Other Bridges	1/ 8,095,000
Ontario Hydro Electric Power Commission	151,572,000
Ontario T. & N. O. Railway	30,207,000
Ontario Housing Loans	2,802,000
Ontario Drainage	1,857,000
Ontario Agricultural Board Investments	48,005,000
Manitoba Government Telephone System	20,800,000
Manitoba Drainage	1,845,000
Manitoba Power Commission	5,500,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,553,000
Saskatchewan Telephone	12,223,000
Saskatchewan Power Commission	6,695,000
Saskatchewan Farm Loan Board	16,333,000
Saskatchewan Co-operative Creameries Ltd.	2,700,000
Saskatchewan Wheat Pool	11,584,000
Alberta Government Telephone	15,862,000
Alberta Loans to Canadian Pacific and Canadian National Railways ...	5,580,000
Alberta Wheat Pool	4,788,000
	<u>\$ 399,510,000</u>

1/ Statistics are for 1936.

(b) Indirect Revenue-Producing Debt. - In addition to the direct revenue-producing debt of utilities, boards and commissions there is a large portion of provincial debt which can be considered as producing revenue indirectly, namely debentures to meet highway expenditure. While there is no direct revenue from the highways and roads, their construction nevertheless stimulates industries, opens up new territory, and undoubtedly encourages tourist traffic.

PROVINCIAL HIGHWAY DEBENTURES

Province	Year Ending	Amount Outstanding
		\$
Prince Edward Island	Dec. 31, 1934	1,004,774
Nova Scotia	Nov. 30, 1936	33,980,000
New Brunswick	Oct. 31, 1936	1/ 47,612,809
Quebec	June 30, 1936	70,811,283
Ontario	March 31, 1937	224,639,350
Manitoba	April 30, 1937	17,794,182
Saskatchewan	April 30, 1937	33,799,488
Alberta	March 31, 1937	37,025,514
British Columbia	March 31, 1937	1/ 41,297,772
		<u>\$ 507,965,172</u>

1/ Including debentures for bridges.

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$55,164,763 for the provincial fiscal years ending in 1936, while the motor tourist expenditure in Canada was approximately \$295,000,000 in 1937.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1937.

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. These government guarantees are for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Prince Edward Island. - There are no indirect liabilities shown in the Public Accounts reports of this province.

Nova Scotia. - Guarantees to banks on loans to municipalities and gold mines; guarantees of bonds of the Halifax Exhibition Commission and Co-operative Fruit Growers' Finance Corporation and guarantees of accounts payable of the government controlled Inverness Mines.

New Brunswick. - Bonds, of the Town of Campbellton, railway companies, New Brunswick Cold Storage, Farmers' Co-operative Creamery, and Roman Catholic Hospital.

Quebec. - Guarantees of debentures of municipalities; school and court house debentures and guarantees to banks or loaning companies of loans to the Liquor Commission, co-operative organizations or other industries.

Ontario. - Guarantees of debentures or bonds of municipalities, housing, park and power commissions, schools, universities, railways and co-operative associations.

Manitoba. - Guarantees of principal and interest of municipalities and Canadian Northern Railway, also bank overdraft of certain municipalities for municipal and school purposes.

The Province has also guaranteed interest only on certain municipal debentures, also rentals of leased railways to Northern Pacific Railway Company, and on the closing of the Provincial Savings Office assumed the liability to depositors.

Saskatchewan. - Guarantees of principal and interest of railway bond issues, drainage district debentures, advancement of agricultural and education interests, Saskatchewan Power Commission (operating account); Superannuation Account (Interest accrued) and Dominion Government seed grain advances.

Alberta. - Guaranteed bonds and debentures of irrigation and drainage districts and guaranteed bank loans of co-operative credit societies, Alberta Hail Insurance Board, irrigation districts, co-operative marketing associations and Miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Company. (\$40,157,523) now operated by Canadian National Railway (British Columbia Government holds first mortgage on all Canadian Northern Pacific lines within Province); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the three last named guarantees. There are also small guarantees pursuant to "Department of Industries Act, 1919" and "British Columbia Cancer Foundation Note Guarantee Act, 1936".

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1936.

Province	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sinking Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
Prince Edward Island	1/ 2,510,675	1/ 549,051	1/ 1,961,624	2/ 528,689	3/ 2,490,313
Nova Scotia	34,211,220	13,665,298	21,545,922	11,125,187	32,671,109
New Brunswick	26,796,910	8,100,938	18,695,972	4,633,078	23,329,050
Quebec	513,123,921 503,323,921	89,412,280	423,711,641 516,185,941	182,383,131 86,507,462	606,693,852
Ontario	431,546,483	58,294,088	373,252,395	5/ 34,792,573	6/ 408,044,968
Manitoba	95,883,699	43,750,179	52,133,520	23,520,845	75,654,365
Saskatchewan	7/ 55,582,490	8/ 17,833,448	37,749,042	77,680,264	115,429,306
Alberta	67,641,131	9/ 25,172,733	10/ 42,468,398	11/ 6,095,682	12/ 48,564,080
British Columbia	125,838,619	32,864,156	92,974,463	9,786,213	102,760,676
TOTAL	1,232,242,228 1,447,600,228	288,642,171	1,064,482,057 1,158,957,202	381,155,662 256,670,512	1,415,637,719

- 1/ City of Charlottetown and seven incorporated towns.
- 2/ City of Charlottetown, only.
- 3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.
- 4/ Total Current and Capital Liabilities.
- 5/ Total Current Liabilities and Capital Loans for cities only. In addition to the above there were \$31,385,164 Contingent or Guaranteed Liabilities for cities.
- 6/ Net Bonded Debt for all municipalities plus Total Current Liabilities and Capital Loans for cities only.
- 7/ School Debt of villages and rural municipalities not included.
- 8/ School Sinking Funds not included.
- 9/ Cities, only.
- 10/ Sinking Funds for Cities only have been deducted. Sinking Funds for other municipalities not available.
- 11/ Towns, villages and municipal districts only; other liabilities for cities not available.
- 12/ Gross Liabilities for towns, villages and municipal districts plus net bonded debt for cities.

APPENDIX

THE TAX SYSTEMS OF CANADA

DOMINION, PROVINCIAL
AND
MUNICIPAL GOVERNMENTS

THE DOMINION OF CANADA NATIONAL-GOVERNMENT TAX SYSTEM AS OF JULY 1, 1937

[illegible]

THE ALBERTA PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JULY 1, 1937

[illegible]

Continued on next page.

THE ALBERTA PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JULY 1 1937—Concluded

[illegible][illegible]

1071) This schedule sets out any regulations, certificates and other fees charged for the purpose of registration or to cover the cost of services rendered. It also sets forth the nature and extent of the services rendered, the time and place of the services, the names of the persons performing the services, and the names of the persons receiving the services.



THE BRITISH COLUMBIA PROVINCIAL-AND-MUNICIPAL TAX SYSTEM
AS OF OCTOBER 1, 1937—Continued

[illegible]

Continued on next page.

THE BRITISH COLUMBIA PROVINCIAL-AND-MUNICIPAL TAX SYSTEM
AS OF OCTOBER 1, 1937—Continued

[illegible]

AS OF OCTOBER 1, 1937—Continued

[illegible]

→ Continued on next page.

THE BRITISH COLUMBIA PROVINCIAL-AND-MUNICIPAL TAX SYSTEM
AS OF OCTOBER 1, 1937--Concluded

(C) POWERS, LITIGATIONS AND CREATIONS—SARLHOLDS

[illegible][illegible]

THE MANITOBA PROVINCIAL-AND-MUNICIPAL TAX SYSTEM AS OF SEPTEMBER 1, 1937

[illegible]

[11] G. A. Korn and G. A. Korn, *Mathematical Methods for Engineers*, 3rd ed., McGraw-Hill, New York, 1961.

12) The members of the class of shipping and 64. Justice have been advised to permit the corporation to collect a 15 fee for each car and 630 fee for each truck registered by the class of their respective class.

THE NEW BRUNSWICK PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JANUARY 1, 1936

[illegible]

五

* Ch. 15, 1912 levies a tax of 2% of net premiums paid by persons insuring in laterals.
 * Ch. 15, 1912 levies a license fee of \$5 per year on each certificate of insurance.
 * Ch. 17, 1934 levies a tax of 2% on the gross amount of all premiums received by the insurer.

THE NOVA SCOTIA PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JANUARY 1, 1936

[illegible]

Continued on next page.



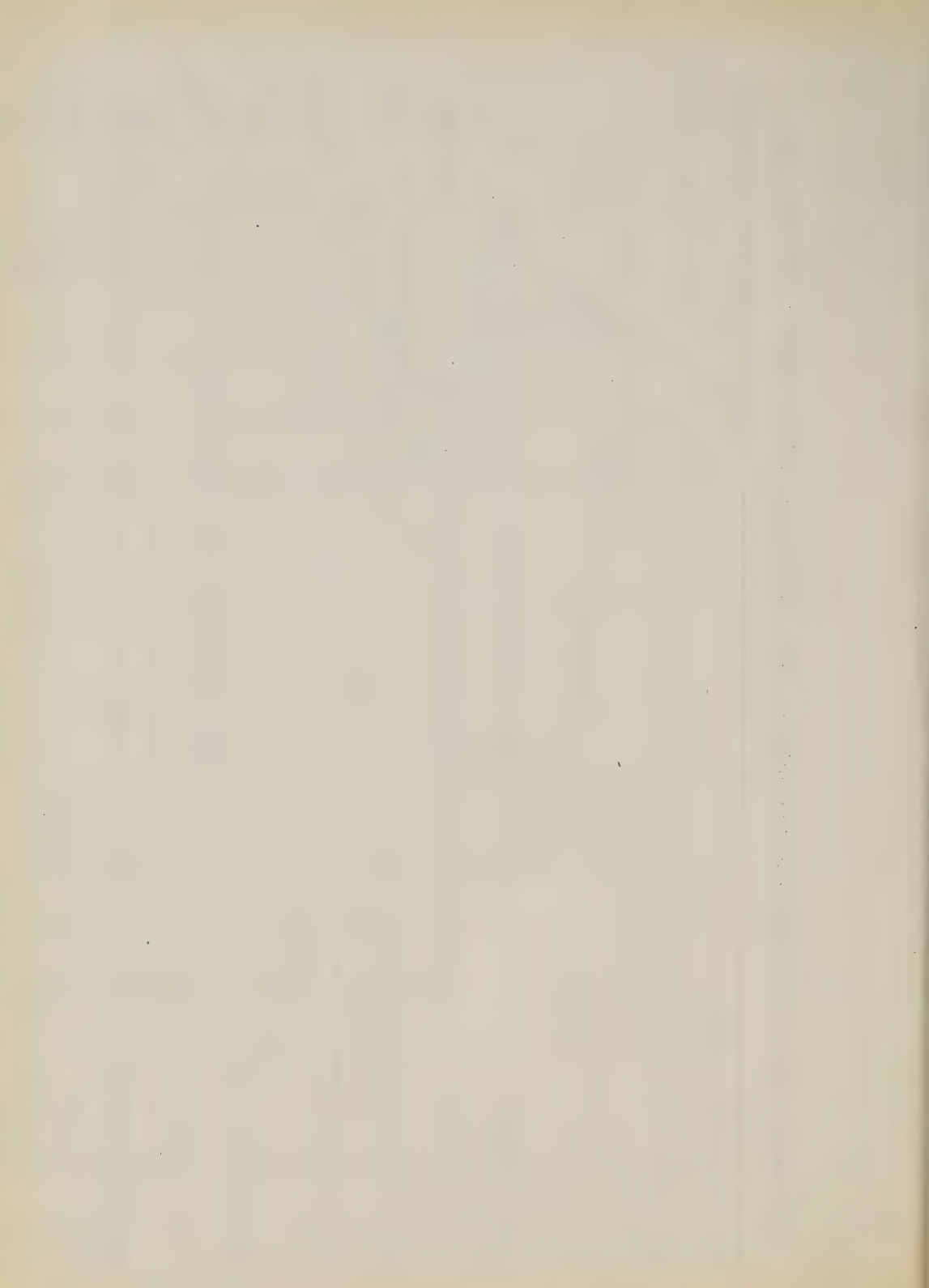
THE NOVA SCOTIA PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JANUARY 1, 1936—Concluded

[illegible]

THE ONTARIO PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF OCTOBER 1, 1937

[illegible]

Continued on next page.



THE ONTARIO PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF OCTOBER 1, 1937—Concluded

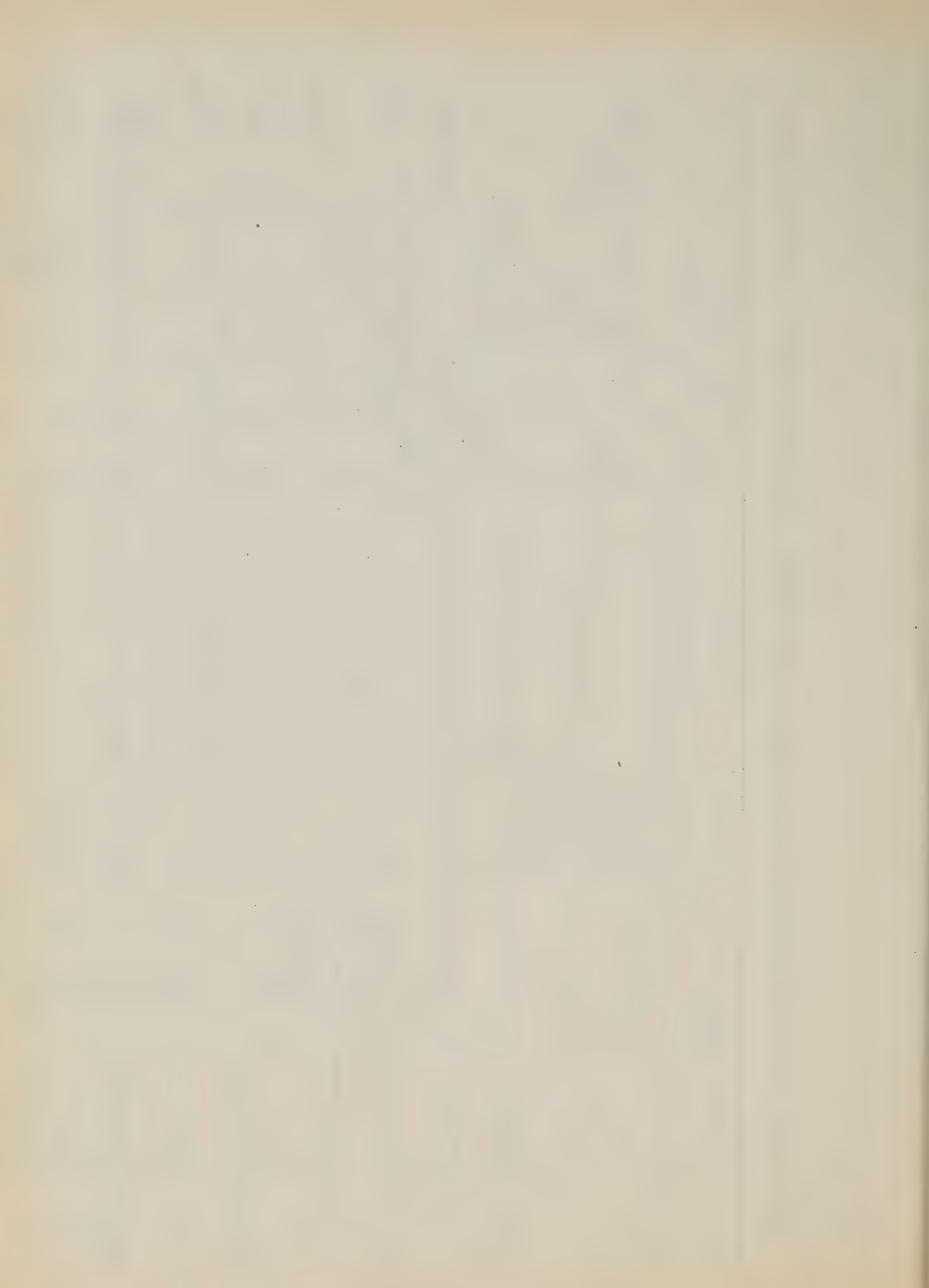
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THE PRINCE EDWARD ISLAND PROVINCIAL—AND—LOCAL TAX SYSTEM AS OF JANUARY 1, 1937

[illegible]

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ISLAND PROVINCIAL—AND
JANUARY 1, 1937—Concluded[illegible]

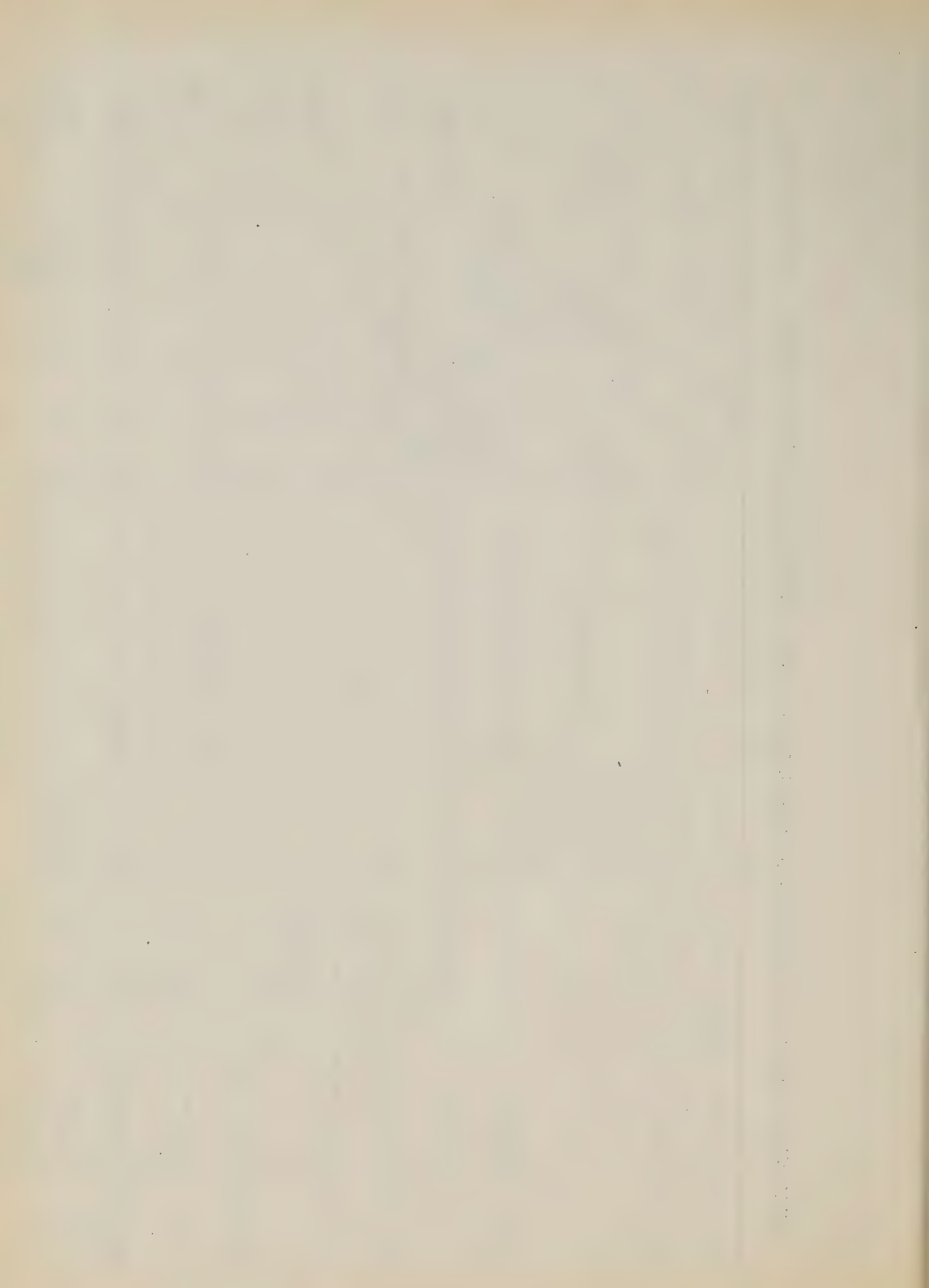
"An Act to Assess, Levy and Collect Taxes on Personal Property and on Certain Companies" was assented to on April 22, 1938. This Act made certain changes in the taxation laws of Prince Edward Island since the above chart was prepared.

Life Insurance Companies will now pay 2% of gross premiums from policy holders resident in the province less returned premiums and cash dividends with a maximum amount of \$100.

Trust, and Trust and Loan Companies will pay 3½% of gross earnings with a minimum of \$400.

under the new regulation Banks will pay one-ninth of 1% of the average volume of business in a minimum payment of \$1,466. A bank opened after April 1st of any year will pay \$1,466 for the period year, and any Bank, which, within twelve months previous to the closing operation of this Act, acquired the stock and business of another Bank, which had operated for a period of twelve months prior to the acquisition, shall file a return of the average volume of business by the bank purchased or acquired for the twelve month period previous to the said purchase and shall pay the tax imposed as based on such return.

Each branch chain theatre within the province will pay the sum of \$500.-



THE QUEBEC PROVINCIAL TAX SYSTEM AS OF JANUARY 1, 1937

[illegible]





THE SASKATCHEWAN PROVINCIAL-AND-LOCAL TAX SYSTEM AS OF JULY 1, 1937

[illegible]

(1) Put 10 seeds (approximately 20 per acre). This is from Iowa field under Iowa 176 at 10 per acre.
(2) Comparison: certain combination of 11% moisture, agricultural machinery, growth and other factors, which will be following each line and ridge.

(13) **Empirical:** Distance used is agricultural machinery, petrol, services or other goods expenditures.

(14) **Notes:** reduced by 1/3 after July 21 to May 1914.

(15) **Notes:** reduced after July 21 to 4/11 distance of migration.

THE YUKON TERRITORY TERRITORIAL-GOVERNMENT TAX SYSTEM AS OF JULY 1, 1937

[illegible]

Gov. Doc
Can
S
68-D-24

Published by Authority of the HON. W.D. EULER, M.P.,
Minister of Trade and Commerce.

CANADA
(DEPARTMENT OF TRADE AND COMMERCE)
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA
DOMINION AND PROVINCIAL GOVERNMENTS, 1938
AND
MUNICIPALITIES, 1937



OTTAWA
1939



Price 25 cents

THE PUBLIC DEBT OF CANADA

DOMINION AND PROVINCIAL GOVERNMENTS, 1938

AND

MUNICIPALITIES, 1937

PREFACE

The Bureau presents herewith its annual bulletin on the aggregate public debt of Canada. The statistics shown for the Dominion Government cover its fiscal year ended March 31st, 1938, while those of the provincial governments are for their respective fiscal years ending in 1938 as given in Table 5, page 13. The municipal debt as shown in Table 6, page 16 is for the calendar year 1937 being the latest for which information is available.

Owing to diverse methods of presenting balance sheets in the Public Accounts of the several provinces as well as of those in the reports of Canadian municipalities, the obtaining of a concise uniform statement of public debt in Canada requires extended consultation with Provincial Treasury and Municipal Affairs Officials, and the Bureau gratefully acknowledges their cordial co-operation.

This publication has been prepared under the supervision of Colonel J. R. Munro, Chief of the Finance Statistics Branch.

A handwritten signature in dark ink, appearing to read "R. H. Coats", with a stylized flourish at the end.

Dominion Statistician.

Ottawa, November 15th, 1939.

Published by Authority of the Hon. W. D. Euler, M.P.,
Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH
OTTAWA - CANADA

Dominion Statistician:
Chief, Finance Statistics Branch:

R. H. Coats, LL.D., F.R.S.C., F.S.S.(Hon.)
Colonel J. R. Munro.

PUBLIC DEBT OF CANADA

The Aggregate Public Debt of Canada. - Table 1 gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments amounting to \$ 5,827,965,816, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,539,595,648. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of direct and indirect debt of the Dominion and Provincial governments for 1938 with direct debt of municipalities for 1937 (latest available) amounted to \$7,367,561,464.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

- Dominion Net Direct Debt, notes on page 3 and details in Table 2.
- Dominion Funded Debt classified, notes on page 3 and details in Table 3.
- Dominion Guaranteed or Indirect Debt, notes on page 4 and details in Table 4.
- Provincial Net Direct Liabilities, notes on page 4 and details in Table 5.
- Provincial Indirect Liabilities, notes on page 15 and details in Table 5..
- Direct Liabilities of Municipalities less Sinking Funds, etc., notes on page 4 and details in Table 6.

Net Direct Debt of Dominion Government. - This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: Cash; Bank of Canada class "B" shares; Advances to Provinces for Unemployment Relief, Housing Loans and Alberta Subsidy overpayment; Other Advances to Canadian Broadcasting Corporation, Canadian Farm Loan Board including Canadian Fisheries Loan Act, Canadian National (West Indies) Steamships Ltd., Dominion Housing Act, 1935, Foreign Governments; Railway Accounts; Soldier and General Land Settlement Loans; Miscellaneous Current Accounts including advances to Royal Canadian Mint, Canadian Government Railway Accounts, etc. A detailed analysis of net debt will be found in Table 2, which is a reproduction of the Balance Sheet of the Dominion Government as at March 31, 1938.

Funded Debt of the Dominion Government. - The analysis of this debt as at March 31st, 1938 will be found in Table 3, showing the proportion payable in Canada, in Canada and New York, in London and in New York. Sinking funds applicable to the debt payable in London are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2.

The following summary analysis of this table shows the total amounts payable at specified rates of interest:

Classification	Rate of Interest	Amount of Funded Debt
	\$	\$
Loans, Debentures, Stocks, etc.	1 to 2	375,000,000
	Over 2 to 3	556,515,052
	Over 3 to 4	1,027,334,253
	Over 4 to 5	1,205,692,900
	Over 5 to 6	15,827
Matured Debt		3,677,552
Treasury Bills	Under 1	150,000,000
		3,318,235,584
Less Sinking Funds applicable to debt payable in London		65,657,700
Funded Debt less Sinking Funds		3,252,577,884

In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of interest and exchange. It will be readily understood that fluctuations in the rate of exchange are constantly taking place and in consequence payment of debt and interest thereon, payable elsewhere than in Canada, must be governed by the rate of exchange current on the day that such debt falls due. For instance there was a premium of seven-tenths of a cent on all payments due in New York on March 31st, 1938 and of thirteen cents on the pound sterling for those due in London, while on March 31st, 1939 there was a premium of two-fifths of a cent at New York and a discount of sixteen and two-thirds cents at London.

Guaranteed Debt of the Dominion Government. - Table 4 gives the details of this debt showing where principal amounting to \$1,263,867,015 and interest charges thereon are payable.

A study of this table shows that on this total guaranteed debt the rates of interest varied from 2 to 6½ per cent as follows:

Rate of Interest	Amount Guaranteed	Rate of Interest	Amount Guaranteed	Rate of Interest	Amount Guaranteed
%	\$	%	\$	%	\$
2	111,682,664	3½	45,276,539	4½	50,700,000
2½	15,500,000	4	190,613,175	5	251,852,768
3	174,851,997	4½	185,000,000	6½	24,238,000

Rate not stated \$214,151,872 (consisting largely of Chartered Banks Deposits with the Bank of Canada).

It will be seen that much the larger part of this debt carried the higher rates of interest and it is hoped that in the event of refunding lower rates of interest will prevail.

It is also to be noted that some \$216,000,000 of railway securities is guaranteed as to interest payments only. In other words the government is not liable for the payment of the principal sum.

Debts of Provincial Governments. - The public debt of provincial governments covering their fiscal year ending in the year 1938 is analyzed in Table 5, in which will be found details of the total net direct liabilities as given in the summary Table 1.

The total gross bonded debt (\$1,533,524,253) less Sinking Funds (\$136,634,682) offsetting same leaves a net bonded or debenture debt of \$1,396,889,571. To this must be added the treasury bills outstanding (\$229,361,796) which gives a total net funded debt of \$1,626,251,367. Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc. (\$146,841,756) added to the total net funded debt gives a total of direct liabilities (less sinking funds above mentioned) of \$1,773,093,123. It is necessary to deduct available or realizable assets (\$512,836,502) from the total of direct liabilities (less sinking funds) to arrive at the total of net direct liabilities \$1,260,256,621.

There are also loans and advances which are partially secured or subject to realization and no doubt large portions of these will in time be available to meet the debt of the provinces.

Each province with the exception of Prince Edward Island is responsible for indirect or contingent liabilities which arise largely out of guarantees of debt incurred for railway, municipal and other projects. The totals for each province are shown in Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities. - There are over 4,300 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back principal and interest of any loans incurred. The gross bonded indebtedness of all municipalities amounted to \$1,337,207,183 in 1937. The cities and towns having a population of 10,000 and over alone would approximately account for over 80 per cent of this total bonded indebtedness.

Table 6 analyzes the municipal debt of Canada by provinces as completely as recorded information is available. The total municipal liabilities less sinking funds are shown for all municipalities in six provinces. Partial returns are footnoted for the other three provinces.

With such data as is recorded for direct liabilities the total municipal debt less sinking funds in Canada is given as \$1,466,041,625.

TABLE 1. - SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

Circa 1938.

<u>NET DIRECT DEBT</u>		<u>\$</u>	<u>\$</u>
Net Direct Debt of Dominion Government, Mar. 31, 1938		3,101,667,570	
Net Direct Liabilities Provincial Governments, 1938 (Sinking Funds and Available Capital, Current and Trust Account Assets deducted)		1,260,256,621	
Direct Liabilities all Canadian Municipalities, 1937 (Less Sinking Funds and Investments)		1,465,486,818	
TOTAL NET DIRECT DEBT			5,827,411,009
<u>GUARANTEED OR INDIRECT DEBT</u>			
		<u>\$</u>	
Dominion Government (amount held by the public) March 31, 1938:			
Guaranteed Securities -			
Guaranteed as to Principal and Interest -			
Railway	803,740,048		
Other	30,660,595		
Guaranteed as to Interest only -			
Railway	216,207,142		
Other Guarantees	1/ 213,259,230	1,263,867,015	
Provincial Governments - fiscal years 1938		275,728,633	
TOTAL GUARANTEED OR INDIRECT DEBT of Dominion and Provincial Governments			1,539,595,648
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA			7,367,006,657

1/ Including Bank Advances \$8,162,834; British Columbia and Manitoba Treasury Bills \$5,505,297; Deposits of Chartered Banks in Bank of Canada \$194,859,595; Bank Loans under Saskatchewan Seed Loan Guarantees Act, 1936, \$2,555,113; and the Home Improvement Loans Guarantee Act \$2,176,391. There was also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited, day to day margins of the Canadian Wheat Board (closed out daily). Bank Loans guaranteed under the Seed Grain Loans Guarantee Act, 1937 have been authorized up to \$8,950,000 and an indeterminate amount has been guaranteed under the Dominion Housing Act, 1935.

TABLE 2. - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1938.
(From the Public Accounts)

	\$
Active Assets -	
Cash	8,297,389
Bank of Canada, class "B" shares	5,100,000
Advances or Loans:	
To Provinces:	
Unemployment Relief	129,801,198
Housing Loans	3,308,000
Alberta Subsidy Overpayment	468,750
Other:	
Canadian Broadcasting Corporation	500,000
Canadian Farm Loan Board (including Canadian Fisherman's Loan Act)	31,598,256
Canadian National (West Indies) Steamships, Ltd.	450,000
Dominion Housing Act, 1935	2,754,513
Foreign Governments	30,854,262
National Harbours Board	85,091,521
New Westminster Harbour Commission	274,537
Railway Accounts Active	28,784,896
Soldier and General Land Settlement, Loans, etc.	42,232,502
Unamortized Discount and Commission on Loans	41,208,588
Miscellaneous Current Accounts (including Advances to Royal Canadian Mint, Canadian Government Railway Accounts, etc.)	27,845,632
Total Active Assets	438,570,044
Balance of Liabilities over Active Assets being Net Debt, March 31, 1938 (exclusive of interest accrued), carried forward	3,101,667,570
	<u>3,540,237,614</u>
Non-Active Assets -	
Public Works, Canals	240,349,804
Public Works, Railways	429,690,834
Public Works, Miscellaneous	286,506,741
Military Property and Stores	12,049,714
Territorial Accounts	9,895,948
Canadian Pacific Railway (old)	62,791,435
Canadian National Railways Securities Trust Stock	269,325,706
Canadian National Railway Stock	18,000,000
Loans - Non-active -	
Canadian National Steamships	13,858,030
Province of Saskatchewan - Relief Acts	17,682,158
National Harbours Board	63,437,430
Soldier and General Land Settlement Loans	16,653,270
Miscellaneous Investments and Other Accounts (non-active)	4,014,178
Balance Consolidated Fund as at March 31, 1937	1,250,050,909
Excess of Expenditure over Revenue, fiscal year ended March 31, 1938	14,443,547
Charges authorized by Canadian National Railways Capital Revision Act, 1937	392,918,266
	<u>3,101,667,570</u>
Liabilities -	
Bank Circulation Redemption Fund	5,967,227
Post Office Account - Money Orders, Postal Notes, etc.	3,664,726
Post Office Savings Bank Deposits	22,587,233
Government Annuities	107,644,200
Insurance and Superannuation Funds	93,688,356
Trust Funds	20,951,204
Contingent and Special Funds	11,968,361
Province Debt Accounts	9,623,617
Interest Due and Outstanding	1,679,928
Outstanding Cheques	9,884,659
Funded Debt, Less Sinking Funds	3,252,577,884
	<u>3,540,237,615</u>

NOTE: The Dominion of Canada is also responsible (for outstanding amounts held by the public) (a) principal and interest on loans negotiated by railways under various Acts of Parliament amounting to \$805,740,048; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$30,660,595; (d) other guarantees \$213,259,230. (See table 4 for details).

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1938.

Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
Canada	1938 - April 1	.744	25,000,000	186,000	Treasury Bills
	April 14	.726	25,000,000	181,500	" "
	April 30	.700	25,000,000	175,000	" "
	May 16	.648	25,000,000	162,000	" "
	June 1	.584	25,000,000	146,000	" "
	June 15	.524	25,000,000	131,000	" "
	July 1	4	33,293,471	1,331,739	Debentures - School Lands
	Oct. 15	2	90,000,000	1,800,000	Loan of 1935
1939 -	June 1	1	20,000,000	200,000	Conversion Loan, 1937
	June 1	1	20,000,000	200,000	Refunding Loan, 1937
	Oct. 15	4	47,269,500	1,890,780	" " 1933
	Oct. 15	2½	7,933,000	198,325	" " 1934
	Nov. 15	2	20,000,000	400,000	Loan of 1935
1940 -	Mar. 1	3	115,013,637	3,450,409	" " 1935
	June 1	1½	80,000,000	1,200,000	" " 1936
	Sept. 1	4½	75,000,000	3,375,000	Refunding Loan, 1925
1941 -	Mar. 15	1	45,000,000	450,000	4½ year Notes, 1936 - 41
	Nov. 15	5	141,663,000	7,083,150	National Service Loan, 1931-41
1942 -	June 1	2	60,000,000	1,200,000	Conversion Loan, 1937
	Oct. 15	3	40,409,000	1,212,270	Refunding Loan, 1934
1943 -	June 1	2½	20,000,000	500,000	Loan of 1935
	Oct. 15	5	147,000,100	7,350,005	Refunding Loan, 1923
1944 -	Oct. 15	4½	50,000,000	2,250,000	" " 1924
	Nov. 15	2½	20,000,000	500,000	" " 1937
1/ 1945 -	Oct. 15	4	88,337,500	3,533,500	" " 1933
1946 -	Feb. 1	4½	45,000,000	2,025,000	" " 1926
2/ 1949 -	June 1	3½	33,500,000	1,088,750	Conversion Loan, 1937
3/	Oct. 15	3½	138,322,000	4,841,270	Refunding Loan, 1934
4/ 1951 -	Nov. 15	3½	60,000,000	1,950,000	" " 1937
5/ 1952 -	Oct. 15	4	56,191,000	2,247,640	Loan of 1932
6/ 1955 -	June 1	3	40,000,000	1,200,000	Loan of 1935 dated June 1
6/	June 1	3	55,000,000	1,650,000	" " 1935 " Nov. 15
7/ 1956 -	Nov. 1	4½	43,125,700	1,940,656	Conversion Loan, 1931
8/ 1957 -	Nov. 1	4½	37,523,200	1,688,544	" " 1931
9/ 1958 -	Nov. 1	4½	276,687,600	12,450,942	" " 1931
10/ 1959 -	Nov. 1	4½	289,693,300	13,036,198	" " 1931
11/ 1966 -	June 1	3½	54,703,000	1,777,848	Loan of 1936
12/	Sept. 15	3	55,000,000	1,650,000	Perpetual Loan of 1936
	Demand	6	4,000	240	Dominion Stock "Issue A"
		3½	9,600	336	" " "Issue B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5	200		" " 1921
			5,380		Dom. Can. Savings Certificates
			11,420		War Savings Certificates

See footnotes on page 9.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1938.
Classified to Show Where Payable, Date of Maturity, Rate of Interest,
Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
Canada	Matured	%	\$	\$	
			76,896		War Savings and Thrift Stamps
		5	400		Prov. Can. Loan Debentures
		6	600		" N.B. " "
			39,166		Provincial Notes, N. S.
			550		Unpaid Warrants, P. E. I.
		5	6,900		Dom. Can. War Loan, 1915 - 25
		5	22,400		" " " " 1916 - 31
		5½	44,350		Victory Loan, 1917 - 22
		5½	13,800		" " 1917 - 27
		5½	1,033,050		" " 1917 - 37
		5½	51,250		" " 1918 - 23
		5½	287,650		" " 1918 - 33
		5½	28,550		" " 1919 - 24
		5½	409,450		" " 1919 - 34
		5½	5,850		Renewal Loan, 1922 - 27
		5½	26,800		" " 1922 - 32
		5	1,100		Refunding Loan, 1923 - 28
		5	330,100		Nat. Service Loan, 1931 - 36
		4	3,000		Loan of 1932 - 35
		.816	250,000		Treasury Bills, due Feb. 15, 1938
Total Payable in Canada			2,458,341,297	86,654,812	
Canada and New York	Matured	5	890,500		Dom. Can. War Loan, 1917 - 37
London	1938 - July 1	3	8,071,230	242,137	Loan of 1888 £1,658,471-18-11
	July 1	3	18,250,000	547,500	" " 1892 £3,750,000-0-0
	July 1	3	10,950,000	328,500	" " 1894 £2,250,000-0-0
	July 1	3½	15,056,007	526,960	C.P.R. Land Grant Loan £3,093,700
	1947 - Oct. 1	2½	4,888,185	122,205	Loan of 1897, £1,004,421-14-2
	13/ 1950 - July 1	3½	137,058,841	4,797,059	" " 1930, £28,162,775-11-0
	14/ 1955 - May 1	3½	48,666,667	1,581,667	" " 1934, £10,000,000-0-0
	15/ 1958 - Sept. 1	4	73,000,000	2,920,000	" " 1933, £15,000,000-0-0
	16/ 1960 - Oct. 1	4	93,926,667	3,757,067	" " 1940, £19,300,000-0-0
	Matured	3½	254		Loan of 1884 (1909 - 34) Unpaid Debentures
			17,236		
	17/ Less Sinking Funds		409,885,087		
			65,657,700		
Total Payable in London			344,227,587	14,823,095	

See footnotes on page 9.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1938.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Outstanding	Annual Interest Payable Thereon	Description
		%	\$	\$	
New York	1938 - Jan. 1	2	40,000,000	800,000	Three year Notes
	18/ 1944 - Jan. 15	2½	30,000,000	675,000	Loan of 1937
	19/ 1945 - Aug. 15	2½	76,000,000	1,900,000	" " 1935
	20/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	21/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	22/ 1961 - Jan. 15	3½	48,000,000	1,560,000	" " 1936
	23/ 1967 - Jan. 15	3	55,000,000	1,650,000	" " 1937
	Matured	5½	2,700		Loan of 1919 - 29
		4½	116,000		" " 1926 - 36
Total Payable in New York			449,118,700	15,585,000	
GRAND TOTAL (less Sinking Funds)			3,252,577,884	117,062,907	

- 1/ Subject to redemption as a whole on Oct. 15, 1943, or on any subsequent interest date on 60 days' notice.
- 2/ " " " in whole or in part on June 1, 1946, or on any subsequent interest date on 60 days' notice.
- 3/ " " " as a whole on Oct. 15, 1944, or on any subsequent interest date on 60 days' notice.
- 4/ " " " in whole or in part on Nov. 15, 1948, or on any subsequent interest date on 60 days' notice.
- 5/ " " " as a whole on Oct. 15, 1947, or on any subsequent interest date on 60 days' notice.
- 6/ " " " " " " " June 1, 1950, " " " " " " " 60 days' notice.
- 7/ " " " " " " " Nov. 1, 1946, " " " " " " " " " "
- 8/ " " " " " " " Nov. 1, 1947, " " " " " " " " " "
- 9/ " " " " " " " Nov. 1, 1948, " " " " " " " " " "
- 10/ " " " " " " " Nov. 1, 1949, " " " " " " " " " "
- 11/ " " " " " " " June 1, 1956, " " " " " " " " " "
- 12/ " " " in whole or in part on or after Sept. 15, 1966, on 60 days' notice.
- 13/ " " " on 6 months' notice.
- 14/ " " " in whole or in part on or after May 1, 1950, on 3 months' notice.
- 15/ " " " " " " " " " " " " " Sept. 1, 1953, " " " "
- 16/ " " " " " " " " " " " " " Oct. 1, 1940, " " " "
- 17/ These sinking funds represent the following items, 3½ per cent loan 1930 - 50 \$41,358,828; 4 per cent loan of 1940 - 60 \$21,764,887; 4 per cent loan of 1953 - 58 \$1,691,550; and 3½ per cent loan of 1950 - 55 \$842,435.
- 18/ Subject to redemption as a whole on or after Jan. 15, 1943, on 30 days' notice.
- 19/ " " " in whole or in part on Aug. 15, 1943, or on any subsequent interest date on 30 days' notice.
- 20/ " " " as a whole on or after May 1, 1942, on 60 days' notice.
- 21/ " " " " " " " Oct. 1, 1950 or on any subsequent interest date on 60 days' notice.
- 22/ " " " in whole or in part on Jan. 15, 1956, or on any subsequent interest date on 30 days' notice.
- 23/ " " " " " " " " " any interest date on 60 days' notice as follows:
To and including January 15, 1942, at 105 per cent. Thereafter to and including Jan. 15, 1947, at 104 per cent.
Thereafter to and including Jan. 15, 1952, at 103 per cent. " " " " Jan. 15, 1957, at 102 per cent.
" " " " Jan. 15, 1962, at 101 per cent. " at 100 per cent.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1938.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1938	
			Held by the Public	Held by the Canadian Nat. Ry. Securities Trust
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co.				
(a) 3% deb. stock due 1953	1/ London New York	9,359,997	9,359,997	-
£ 1,923,287-0-0				
(b) 3½% deb. stock due 1958				
£ 1,622,586-19-9		7,896,590	7,896,544	-
(c) 6½% bonds due 1946		25,000,000	24,238,000	-
2. Canadian North. Ontario Ry.Co.				
(a) 3½% deb. stock due 1961	London	35,770,000	34,229,997	1,540,003
£ 7,350,000-0-0				
3. Canadian North. Alberta Ry.Co.				
(a) 3½% deb. Stock due 1960	London London and Canada	3,150,000	3,149,998	-
£ 647,260-5-6				
(b) 3½% deb. stock due 1962				
£ 733,561-12-10		3,570,000	-	3,569,997
4. Grand Trunk Pacific Ry. Co.				
(a) 3% bonds due 1962	2/ Lon., N.Y., Can.	68,040,000	34,992,000	33,048,000
£ 14,000,000-0-0				
(b) 4% bonds due 1962				
£ 3,280,000-0-0	" " "	15,940,800	8,440,848	7,499,952
5. Canadian National Ry. Co.				
(a) 5% serial equipment bonds, 1923 - 38	Canada	22,500,000	750,000	-
(b) 5% bonds due 1954	"	50,000,000	50,000,000	-
(c) 1927, 2% guar.deb. stock	London	34,927,098	23,282,664	-
£ 7,176,801-0-0				
(d) 4½% gold bonds, due 1957				
(e) 5% gold bonds, due July 1, 1969	N.Y., and Can.	65,000,000	65,000,000	-
(f) 5% gold bonds, due Oct. 1, 1969	Lon., N.Y., Can.	60,000,000	60,000,000	-
(g) 5% gold bonds, due 1970				
(h) 4¾% gold bonds, due 1955				
(i) 4½% " " " 1956	" " "	70,000,000	70,000,000	-
(j) 4½% " " " 1951	" " "	50,000,000	50,000,000	-
(k) 3% bonds, due 1950	Canada	20,500,000	20,500,000	-
(l) 2% " " 1938	"	13,400,000	13,400,000	-
(m) 3% " " 1944	"	35,000,000	35,000,000	-

1/ Part of this payable in Canada, part in London and the balance in London and Canada.

2/ London, New York and Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1938. - Con.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1938	
			Held by the Public	Held by the Canadian Nat. Ry. Securities Trust
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
5. Canadian National Ry. Co. - Conc.				
(n) 2% bonds due 1943	Canada	55,000,000	55,000,000	-
(o) 3% " " 1953	"	25,000,000	25,000,000	-
(p) 2½ % " " 1944	"	15,500,000	15,500,000	-
(q) 3% " " 1952	"	20,000,000	20,000,000	-
(r) 2% " " 1942	"	20,000,000	20,000,000	-
(s) 3% " " 1950	"	30,000,000	30,000,000	-
TOTALS		883,554,485	803,740,048	45,657,952

RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -

1. Grand Trunk Ry. Acquisition Guarantees -				
(a) 4% G.T.R. perp. guar. stock £ 12,500,000-0-0	London	60,833,333	60,833,333	-
(b) 4% perp. deb. stock £ 24,624,455-0-0	"	119,839,014	119,839,014	-
(c) 5% perp. deb. stock £ 4,270,375-0-0	"	20,782,492	20,782,492	-
(d) 5% Gr. West. perp. deb. stock £ 2,723,080-0-0	"	13,252,323	13,252,323	-
(e) 4% Northern Ry. perp. deb. stock £308,215-0-0	"	1,499,980	1,499,980	-
TOTALS		216,207,142	216,207,142	-

OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -

1. Montreal Harb. Comm. Jacq. Cartier Bridge, 5% bonds due 1969	London, New York and Canada	19,500,000	19,000,000	-
2. Can. Nat. (W.I.) Steamships, Ltd. 5% bonds due 1955	London, New York and Canada	10,000,000	9,400,000	-
3. Saint John Harbour Comm. -				
(a) Saint John City Bonded Indebtedness assumed	1/	1,467,165	892,642	-
(b) Comm. Debent., issued to City Saint John, 5% due Aug. 1, 1952	Canada	667,953	667,953	-
4. New Westminster Harb. Comm. 4 3/4% deb. due 1948	New York and Canada	700,000	700,000	-
TOTALS		32,335,118	30,660,595	-

1/ Part payable in London, New York and Canada; balance in Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1938 - Concluded.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1938	
			Held by the Public	Held by the Canadian Nat. Ry. Securities Trust
		\$	\$	\$
OTHER GUARANTEES -				
1. Bank Advances -				
(a) Manitoba Savings Office	Canada	12,442,400	6,875,932	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Dom. Steel and Coal Corp. (rails)	"	1,100,000	9,724	-
(d) Grain Marketing -				
(1) Can. Co-op. Wheat Prod. Ltd. (Sask. Oats Acc't.)	"	-	168,909	-
(2) The Can. Wheat Board	"	5,000,000	483,269	-
2. Bank Loans -				
(a) Guarantees under Sask. Seed Grain Loans Guar. Act, 1936	"	4,000,000	2,555,113	-
(b) Guarantees under Seed Grain Loans Guar. Act. 1937	"	8,950,000	1/	-
3. Province of Br. Columbia (Treas. Bills)	"	626,534	626,534	-
4. Province of Manitoba (Treas. Bills)	"	5,894,127	4,878,763	-
5. Bank of Canada, Chartered Banks Deposits	"	unstated	194,859,595	-
6. Dominion Housing Act, 1935 by approved lending institutions	"	unstated	Indeterminate	-
7. The Home Improvement Loans Guarantee Act by approved lending institutions	"	7,500,000	2,176,391	-
8. Winnipeg Grain and Produce Clearing Association Ltd. Day to day margins of the Can. Wheat Board	"	unstated	-	-

1/ Specific guarantee not yet given as amount not finally determined.

TABLE 5. - DEBT OF PROVINCIAL GOVERNMENTS AT THE END OF THEIR RESPECTIVE FISCAL YEARS IN 1938.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities, Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1938.

Provinces	Fiscal Year	Direct Liabilities							Total Indirect Liabilities			
		Funded Debt				Treasury Bills	Net Funded Debt	Other Direct Liabilities		Total Direct Liabilities (Less Sinking funds)	1/ Less Assets Available or Realizable	Total Net Direct Liabilities
		Bonded Debt		Net Bonded or Debenture Debt	Total							
		Total Gross Bonded or Debenture Debt	Less Sinking Funds									
Prince Edward Island	Dec. 31	\$ 6,690,000	\$ 1,580,679	\$ 5,109,321	-	\$ 5,109,321	2,907,841	8,017,162	971,627	7,045,535	-	
Nova Scotia	Nov. 30	102,666,380	7,020,270	95,646,110	-	95,646,110	3,553,189	98,999,299	26,822,283	72,177,016	1,504,954	
New Brunswick	Oct. 31	89,801,573	2/10,753,098	79,068,475	4,450,000	83,518,475	3,532,678	87,051,153	9,971,352	77,079,831	2,346,346	
Quebec	June 30	257,576,099	3/37,878,410	219,697,689	9,500,000	229,197,689	16,419,790	245,617,479	33,597,128	212,020,351	17,153,564	
Ontario	Mar. 31	585,557,531	9,884,829	575,672,702	49,000,000	624,672,702	53,401,814	678,074,516	4239,780,832	438,293,684	308,097	
Manitoba	Apr. 30	93,997,461	11,373,298	82,624,183	33,495,016	116,120,199	573,569,986	129,710,155	5/32,543,610	67,166,545	6,973,295	
Saskatchewan	Apr. 30	123,949,693	12,559,314	111,410,379	65,786,209	177,196,588	6/12,362,057	189,558,645	6/71,485,950	118,072,715	53,829,448	
Alberta	Mar. 31	127,999,260	12,033,078	115,966,182	27,606,948	143,573,130	18,071,919	161,645,049	7/39,300,352	122,344,727	8,281,687	
British Columbia	Mar. 31	145,286,236	33,691,706	111,694,530	39,522,623	151,217,153	23,202,512	174,419,665	9/28,363,448	146,056,217	48,651,262	
Total All Provinces		1,533,524,253	136,634,682	1,396,889,571	229,361,796	1,626,251,367	146,841,756	1,773,093,123	512,836,502	1,260,256,621	728,633	

- 1/ In addition to the available assets shown, most of the provinces had partially secured loans and advances for Railways, Dyking Districts, Unemployment Relief, Seed Grain Relief, etc., a large portion of which will be realizable.
- 2/ Including Balance at credit with the Dominion Government, \$629,299.
- 3/ Including \$15,000,000 for bonds issued to La Banque Canadienne Nationale.
- 4/ In classifying "Available Assets", Ontario does not include Dominion Debt Account, Common School Fund, Quebec Turnpike, and Plant, Live Stock and Equipment.
- 5/ Other Capital Funds in Trust are not considered as "Liabilities" nor School Lands and certain Trust accounts as "Assets".
- 6/ Sinking Fund Reserves and Trust Accounts, including School Lands, are not considered as "Liabilities" nor "Assets".
- 7/ School Lands Fund, cash and investments are not included under "Assets".
- 8/ In addition to the Available Assets there were partially secured Projects, Loans and Advances of which it is expected a certain portion will be realized.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1938.

(a) Direct Revenue-Producing Debt - Of the total bonded debt of the provinces, a considerable portion is due to the investment in, or loans to, public utilities, boards and commissions, which are of a revenue-producing character and which reimburse the provinces by annual interest payments on the money so invested. In Table 5 the column dealing with "Available or Realizable Assets" includes these investments. The approximate value placed by the various provincial governments (with the exception of British Columbia) on some of such principal revenue-producing investments is evidenced in the following table. British Columbia considers many similar investments as subject to realization and classifies them under non-revenue producing assets, the values therefore have not been shown in Table 5 but these Projects, Loans and Advances, largely the P. G. E. Railway, amounted to over \$60,000,000

	1938
	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	8,465,000
Quebec Water Storages	7,853,000
Quebec Housing Loan	323,000
Quebec La Banque Canadienne Nationale	12,527,000
Quebec Toll and Other Bridges	8,693,000
Ontario Hydro Electric Power Commission	143,620,000
Ontario T. & N. O. Railway	30,207,000
Ontario Housing Loans	1,076,000
Ontario Drainage	1,705,000
Ontario Agricultural Development Board Investments	45,085,000
Manitoba Government Telephone System	20,800,000
Manitoba Drainage	1,667,000
Manitoba Power Commission	5,700,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,438,000
Saskatchewan Telephone	12,225,000
Saskatchewan Power Commission	6,776,000
Saskatchewan Farm Loan Board	16,388,000
Saskatchewan Co-operative Creameries	2,664,000
Saskatchewan Wheat Pool	11,040,000
Alberta Government Telephone	15,701,000
Alberta Loans to Canadian Pacific and Canadian National Railways	5,580,000
Alberta Wheat Pool	4,568,000
	<u>\$ 390,857,000</u>

(b) Indirect Revenue-Producing Debt - In addition to the direct revenue-producing debt of utilities, boards and commissions there is a large portion of provincial debt which can be considered as producing revenue indirectly, namely debentures to meet highway expenditure. While there is no direct revenue from the highways and roads, their construction nevertheless stimulates industries, opens up new territory and undoubtedly encourages tourist traffic.

PROVINCIAL HIGHWAY DEBENTURES.

Province	Year Ending	Amount Outstanding
		\$
Prince Edward Island	Dec. 31, 1937	Not available
Nova Scotia	Nov. 30, 1937	49,674,625
New Brunswick	Oct. 31, 1937	49,979,092
Quebec	June 30, 1937	80,736,741
Ontario	March 31, 1937	258,770,555
Manitoba	April 30, 1938	17,794,182
Saskatchewan	April 30, 1938	33,673,494
Alberta	March 31, 1938	37,025,514
British Columbia	March 31, 1937	41,297,772
		<u>\$ 568,951,975</u>

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$61,468,640 for the provincial fiscal years ending in 1937, while the motor tourist expenditure was approximately \$275,000,000 in 1938.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1938.

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. These government guarantees are for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Prince Edward Island. - There are no indirect liabilities shown in the Public Accounts report of this province.

Nova Scotia. - Guarantees to banks on loans to Nova Scotia Power Commission, Municipalities and gold mines; guarantees of bonds of the Halifax Exhibition Commission and Co-operative Fruit Growers' Finance Corporation; guarantees of uncompleted contracts for construction of buildings, Department of Highways' share of unemployment relief costs to Dominion Government and accounts payable of the government controlled Inverness Mine.

New Brunswick. - Guaranteed bonds of the Town of Campbellton, railway companies, cold storage companies, Farmers' Co-operative Creamery, Roman Catholic Hospital and Richibucto and Rexton Electric Light Commissioners.

Quebec. - Guarantees of debentures of municipalities, schools, hospital, Corporation of Lake St. Louis Bridge and Quebec Farm Credit Bureau and guarantees to banks or loaning companies of loans to co-operative organizations or other industries.

Ontario. - Guarantees of debentures or bonds of municipalities, housing, park and power commissions, schools, universities, railways and co-operative associations.

Manitoba. - Guarantees of principal and interest on securities of municipalities and Canadian Northern Railway, also bank overdraft of certain municipalities for municipal and school purposes.

The Province has also guaranteed interest only on certain municipal debentures, also rentals of leased railways to Northern Pacific Railway Company, and on the closing of the Provincial Savings Office assumed the liability to depositors.

Saskatchewan. - Guarantees of principal and interest of railway bond issued, drainage district debentures, advancement of agricultural and education interests, Saskatchewan Power Commission line of credit at bank, Superannuation Account (interest accrued) and Dominion Government seed grain advances.

Alberta. - Guaranteed bonds and debentures of irrigation and drainage district and guaranteed bank loans of co-operative credit societies, Alberta Hail Insurance Board, seed grain relief and tractor fuel oil advances, irrigation districts, co-operative marketing associations and miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Company (\$40,157,523) now operated by Canadian National Railway (British Columbia Government holds first mortgage on all Canadian Northern Pacific lines within Province); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the three last named guarantees. There are also small guarantees pursuant to "Department of Industries Act, 1919" and "British Columbia Cancer Foundation Note Guarantee Act, 1936".

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1937.

Province	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sink- ing Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
Prince Edward Island	1/ 2,901,175	1/ 588,332	1/ 2,312,843	2/ 536,778	3/ 2,849,621
Nova Scotia	34,695,718	12,250,123	22,445,593	9,316,987	31,762,580
New Brunswick	28,591,813	8,021,877	18,569,936	7,028,139	25,598,075
Quebec	513,535,544	77,372,509	436,161,035	188,275,060	624,436,095
Ontario	425,744,206	59,829,018	365,915,188	56,535,888	4/ 422,451,076
Manitoba	94,487,659	43,735,244	50,751,415	30,641,913	81,393,328
Saskatchewan	5/ 55,507,932	6/ 19,232,213	36,275,719	88,406,785	124,682,504
Alberta	60,964,770	7/ 20,106,819	8/ 40,857,951	9/ 4,969,474	10/ 45,827,425
British Columbia	122,780,368	30,123,028	92,657,340	13,828,774	106,486,114
TOTAL	1,337,207,183	271,260,163	1,065,947,020	399,539,798	1,465,486,818

1/ City of Charlottetown and seven incorporated towns.

2/ City of Charlottetown, only.

3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.

4/ Net Bonded Debt and Current Liabilities for all municipalities plus Capital Loans for cities only.

5/ School Debt of villages and rural municipalities not included.

6/ School Sinking Funds not included.

7/ Cities, only.

8/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities are not available.

9/ Towns, villages and municipal districts only; other liabilities for cities are not available.

10/ Gross Liabilities for towns, villages and municipal districts plus net bonded debt for cities.

Published by Authority of the Hon. James A. MacKINNON, M.P.
Minister of Trade and Commerce.

CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

CENSUS OF INDUSTRY

FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA

DOMINION GOVERNMENT 1939, 1940 AND 1941

PROVINCIAL GOVERNMENTS 1939 AND 1940

MUNICIPAL GOVERNMENTS 1938 AND 1939



OTTAWA
1942

Price 25 cents



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PREFACE

The public interest in the debt situation of Canada continues to grow. In order to meet the demand for statistics on this subject, the Bureau presents this bulletin, which briefly analyzes the public debt of the Dominion Government, of the several provincial governments and of the combined municipal governments in Canada.

The statistics shown for the Dominion Government cover its fiscal years ended March 31st, 1939, 1940 and 1941, while those of the provincial governments are for their respective fiscal years ending in 1939 and 1940, as given in Table 7. The municipal debt as shown in Table 9 is for the calendar years 1938 and 1939. Statistics of municipal debt for 1940 are not yet available.

The balance sheets as prepared by the several provinces and presented in their Public Accounts reports are somewhat diverse and a similar situation exists in the case of the municipalities, but where difficulties arose in making a uniform compilation, consultation was had with officials having control of financial matters and their co-operation has made the publication of this bulletin possible.

The bulletin was prepared under the direction of Colonel J.R. Munro, Chief of the Finance Statistics Branch.

S. A. Cadmore.

Acting Dominion Statistician.

Ottawa, January 31st, 1942.

Published by Authority of the Hon. Jas. H. MacKinnon, M. P.,
Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH
OTTAWA - CANADA

Acting Dominion Statistician:	S.A. Cudmore, M.A.(Oxon.), F.S.S., F.R.S.C.
Chief, Finance Statistics Branch:	Colonel J.R. Munro

PUBLIC DEBT OF CANADA

Table 1 gives in summary form the total aggregate net debt of the Dominion, Provincial and Municipal Governments, together with the guaranteed or indirect debt. The statistics for the Dominion and Provincial Debt cover their respective fiscal years ending in 1939 and 1940, while those for the municipalities are for the years 1938 and 1939.

The first item in Table 1 concerns net direct debt of the Dominion Government, which is arrived at by deducting from the gross liabilities the Active Assets as follows: Cash; Special Deposits; Sinking Funds (previously deducted from funded debt payable in London); Bank of Canada Capital Stock Investment; Loans and Advances to Canadian Broadcasting Corporation, Canadian Farm Loan Board, including Canadian Fisheries Loan Act, Canadian National Railway Company, Canadian National (West Indies) Steamships Ltd., Canadian Pacific Railway Company, Dominion and National Housing Acts, Foreign Governments, Municipal Improvements Assistance Act, National Harbours Board, New Westminster Harbour Commission, Provinces for Post War Housing Loans, Unemployment Relief Loans, Alberta Subsidy Overpayment, and Soldiers and General Land Settlement; Province Debt Accounts (previously deducted from Province Debt Accounts under Liabilities); Unamortized Discount and Commission on Loans; and Miscellaneous Current Accounts including Canadian Government Railways Working Account, Advances to Royal Canadian Mint, etc.

Table 2 shows the debt of the Dominion Government only as at March 31, 1941.

A detailed analysis of net debt, active assets and liabilities will be found in Table 3, which is a reproduction of the Balance Sheets of the Dominion Government as at March 31, 1939, 1940 and 1941.

The analysis of the funded debt of the Dominion Government as at March 31, 1939, 1940 and 1941 will be found in Table 4, showing the proportion payable in Canada, in London and in New York. It will be noted that for these years the sinking funds applicable to the debt payable in London are shown under "Active Assets" instead of being deducted from the Funded Debt.

Funded Debt Matured and Outstanding and Stock Payable on Demand are now shown as "Floating Debt" under Liabilities and not as part of the Funded Debt and Treasury Bills Unmatured.

Tables 4 and 6 may be found useful in making any calculations as to payment of principal and interest, as they show the varying rates of interest and the domiciliation of principal and interest payable. It will be readily understood that the rate of exchange is a governing factor in any payments elsewhere than in Canada. The value of the United States dollar at Montreal was \$1.0044 on March 31, 1939, and \$1.11 on March 31, 1940 and 1941. The pound sterling was valued at \$4.7005 on March 31, 1939, and \$4.47 on March 31, 1940 and 1941.

TABLE 1.- SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

	<u>NET DIRECT DEBT</u>	<u>1939</u>
		\$
Net Direct Debt of Dominion Government, Mar. 31, 1939		\$
		3,152,559,315
Net Direct Liabilities Provincial Governments, 1939		
(Sinking Funds and Available Capital, Current and Trust Account Assets deducted)		1,362,034,478
Direct Liabilities all Canadian Municipalities, 1938		
(Less Sinking Funds and Investments)		<u>1,453,451,505</u>
TOTAL NET DIRECT DEBT		5,968,045,298

GUARANTEED OR INDIRECT DEBT

		\$
Dominion Government (amount held by the public) Mar. 31, 1939:		
Guaranteed Securities -		
Guaranteed as to Principal and Interest -		
Railway	838,658,616	
Other	30,600,338	
Guaranteed as to Interest only -		
Railway	216,207,142	
Other Guarantees	1/ <u>293,258,844</u>	1,378,724,940
Provincial Governments -		
fiscal years 1939		<u>287,091,843</u>
TOTAL GUARANTEED OR INDIRECT DEBT of Dominion and Provincial Governments		<u>1,665,816,783</u>
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA		<u><u>7,633,862,081</u></u>

1/ Including Bank Advances \$68,643,100 in 1939 and \$50,022,921 in 1940; British Columbia and Manitoba Treasury Bills \$5,505,297 in 1939 and \$5,435,740 in 1940; Deposits of Chartered Banks in Bank of Canada \$205,641,646 in 1939 and \$202,324,405 in 1940; Bank Loans under Seed Grain Loans Guarantee Acts \$9,553,934 in 1939 and \$6,891,858 principal outstanding Jan. 31, 1940; and the Home Improvement Loans Guarantee Act \$3,914,867 in 1939 and \$6,079,595 in 1940.

TABLE 1.- SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA

(Dominion, Provincial and Municipal Governments)

	<u>NET DIRECT DEBT</u>	<u>1940</u>
		\$ \$
Net Direct Debt of Dominion Government, Mar. 31, 1940		3,271,259,647
Net Direct Liabilities Provincial Governments, 1940		
(Sinking Funds and Available Capital, Current and Trust Account Assets deducted)		1,439,130,929
Direct Liabilities all Canadian Municipalities, 1939		
(Less Sinking Funds and Investments)		<u>1,484,623,461</u>
TOTAL NET DIRECT DEBT		6,195,014,037

GUARANTEED OR INDIRECT DEBT

		\$	
Dominion Government (amount held by the public) Mar. 31, 1940:			
Guaranteed Securities -			
Guaranteed as to Principal and Interest -			
Railway	837,708,753		
Other	30,563,338		
Guaranteed as to Interest only -			
Railway	216,207,142		
Other Guarantees	1/ <u>270,754,519</u>	1,355,233,752	
Provincial Governments -			
fiscal years 1940		<u>251,191,781</u>	
TOTAL GUARANTEED OR INDIRECT DEBT of Dominion and Provincial Governments			<u>1,606,425,533</u>
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA			<u>7,801,439,570</u>

There was also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited, day to day margins of the Canadian Wheat Board (closed out daily). Bank Loans guaranteed under the Seed Grain Loans Guarantee Act, 1938 have been authorized up to \$16,400,000 and an indeterminate amount has been guaranteed under the National Housing Act.

TABLE 2.- NET DIRECT DEBT AND THE GUARANTEED OR
INDIRECT DEBT OF THE DOMINION GOVERNMENT

<u>NET DIRECT DEBT</u>	<u>1941</u>
	\$
Net Direct Debt of Dominion Government, Mar. 31, 1941	3,648,691,449

GUARANTEED OR INDIRECT DEBT

	\$
Dominion Government (amount held by the public) March 31, 1941:	
Guaranteed Securities -	
Guaranteed as to Principal and Interest -	
Railway	836,398,498
Other	30,545,182
Guaranteed as to Interest only -	
Railway	117,072,699
Other Guarantees	1/ <u>329,797,085</u> 1,313,813,464

- 1/ Including Bank Advances \$109,009,494; British Columbia and Manitoba Treasury Bills \$5,432,257; Deposits of Chartered Banks in Bank of Canada \$207,994,267; and the Home Improvements Loans Guarantee Act \$7,361,067. There was also an un-stated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited, day to day margins of the Canadian Wheat Board (closed out daily). Bank Loans guaranteed under the Seed Grain Loans Guarantee Act, 1938 have been authorized up to \$16,400,000 and an indeterminate amount has been guaranteed under the National Housing Act.

TABLE 3.- BALANCE SHEET OF THE
(From the

Active Assets:

- Cash
- Special Deposits
- 1/Sinking Funds
 - Bank of Canada - Capital Stock Investment
 - Central Mortgage Bank - Capital Stock
 - Foreign Exchange Control Board Loan
- Loans and Advances -
 - Canadian Broadcasting Corporation
 - Canadian Farm Loan Board (including Canadian Fisherman's Loan Act)
- 2/Canadian National Railway Company
 - Canadian National (West Indies) Steamships, Limited
- 3/Canadian Pacific Railway Company
 - Dominion and National Housing Acts
 - Foreign Governments
 - Municipal Improvements Assistance Act
 - National Harbours Board
 - New Westminster Harbour Commission
- Provinces -
 - Housing Loans
 - Unemployment Relief Loans
 - Alberta - Subsidy Overpayment
 - Saskatchewan Power Commission
 - Soldier and General Land Settlement
- Less Reserve for possible losses
- 4/Province Debt Accounts
 - Unamortized Discount and Commission on Loans
 - Miscellaneous Current Accounts (including Canadian Government Railways Working Account, Advances to Royal Canadian Mint, etc.)
- Total Active Assets
- Balance of Liabilities over Active Assets being Net Debt,
March 31, 1939 (exclusive of interest accrued) carried forward

Net Debt represented by:

- (A) Expenditure for Capital Purposes and Non-Active Assets -
 - Public Works, Canals
 - Public Works, Railways
 - Public Works, Miscellaneous
 - Military Property and Stores
 - Territorial Accounts
 - Canadian Pacific Railway (old)

- 1/ Prior to 1939 these Sinking Funds were deducted from the Funded Debt payable in London. 2/ Including Purchase of Equipment by Dominion Government and sold to the Canadian National Railway under Hire Purchase Agreement \$6,206,077 in 1939, \$11,877,738 in 1940 and \$20,051,256 in 1941.

DOMINION OF CANADA, AS AT MARCH 31
(Public Accounts)

1939		1940		1941	
\$	\$	\$	\$	\$	\$
	32,127,822		178,330,603		347,982,169
	475,921		166,305		3,336,020
	69,993,621		67,196,067		5,232,761
	5,920,000		5,920,000		5,920,000
	-		250,000		250,000
	-		-		325,000,000
450,000		1,150,000		786,159	
34,418,291		36,694,977		37,521,468	
24,765,053		51,915,570		165,662,534	
450,000		450,000		1,200,000	
6,251,282		8,503,480		14,899,353	
5,411,954		9,805,277		13,609,930	
30,854,262		30,854,262		30,854,262	
815,088		3,926,355		5,644,607	
85,783,624		86,730,338		86,397,243	
274,537		274,537		274,537	
3,203,000		2,504,000		870,500	
144,786,039		155,978,087		157,492,294	
468,750		468,750		468,750	
-		-		57,600	
40,588,430		37,829,462		35,679,623	
-		-		551,418,860	
				25,000,000	
	378,520,310		427,085,095		526,418,860
	2,296,156		2,296,156		2,296,156
	41,798,328		42,074,493		44,611,476
	26,919,120		34,150,239		109,189,146
	558,051,278		757,468,958		1,370,236,588
	<u>3,152,559,315</u>		<u>3,271,259,647</u>		<u>3,648,691,449</u>
	<u>3,710,610,593</u>		<u>4,028,728,605</u>		<u>5,018,928,037</u>
240,316,691		240,316,048		240,312,218	
429,584,113		429,586,082		429,575,794	
292,022,857		299,030,325		302,374,849	
12,056,713		12,056,714		12,063,714	
9,895,948		9,895,948		9,895,948	
62,791,435		62,791,435		62,791,435	

3/ Including Purchase of Equipment by Dominion Government and sold to the Canadian Pacific Railway under Hire Purchase Agreement \$4,848,462 in 1939, \$7,311,600 in 1940 and \$13,918,413 in 1941. 4/ Net Liabilities were shown previous to 1939.

TABLE 3.-- BALANCE SHEET OF THE DOMINION

(From the

Net Debt represented by:

(A) Expenditure for Capital Purposes and Non-Active Assets -

Canadian National Railways Securities Trust Stock
Canadian National Railway Stock
Loans - Non-active -
 Canadian National Steamships
 Province of Saskatchewan - Relief Acts
 National Harbours Board
 Soldier and General Land Settlement Loans
Saskatchewan Seed Grain Loans Guarantee Act, 1936
Seed Grain Loans Guarantee Act, 1937
Miscellaneous Investments and Other Accounts, Non-active

(B) Consolidated Fund -

Balance Consolidated Fund brought forward from March 31st
Excess of Expenditures over Revenue, fiscal year ended March 31st

Liabilities:

Funded Debt and Treasury Bills Unmatured -

 Payable in Canada
 1/ Payable in London
 Payable in New York

Floating Debt -

 Funded Debt Matured and Outstanding
 Stock Payable on Demand
 Interest Due and Outstanding
 Outstanding Cheques

Bank Circulation Redemption Fund

Post Office Account - Money Orders, Postal Notes, etc.

 Outstanding

Post Office Savings Bank Deposits

Government Annuities

Insurance and Superannuation Funds

Trust Funds

Contingent and Special Funds

2/ Province Debt Accounts

1/ Prior to 1939 Sinking Funds were deducted from the Funded Debt payable in London.
2/ Net Liabilities were shown previously.

OF CANADA, AS AT MARCH 31 (Concluded)
Public Accounts)

1939		1940		1941	
\$	\$	\$	\$	\$	\$
266,612,869		264,012,426		265,706,606	
18,000,000		18,000,000		18,000,000	
13,864,295		13,872,666		13,871,969	
17,682,158		-		-	
66,716,354		67,743,128		68,459,075	
16,525,917		16,525,917		16,525,917	
-		2,637,398		2,637,398	
-		-		7,136,051	
<u>3,996,478</u>	1,450,065,828	<u>3,986,767</u>	1,440,454,854	<u>3,940,708</u>	1,453,291,682
1,657,412,522		1,702,493,487		1,830,804,793	
<u>45,080,965</u>	<u>1,702,493,487</u>	<u>128,311,306</u>	<u>1,830,804,793</u>	<u>364,594,974</u>	<u>2,195,399,767</u>
	<u>3,152,559,315</u>		<u>3,271,259,647</u>		<u>3,648,691,449</u>
\$	\$	\$	\$	\$	\$
2,510,490,008		2,904,773,871		3,727,769,073	
406,207,026		321,911,321		175,221,519	
<u>469,000,000</u>	3,385,697,034	<u>469,000,000</u>	3,695,685,192	<u>469,000,000</u>	4,371,990,592
2,761,208		2,444,534		4,717,291	
25,427		20,728		16,727	
1,888,817		1,980,792		7,677,235	
<u>6,751,685</u>	11,427,137	<u>16,097,204</u>	20,543,258	<u>18,876,748</u>	31,288,001
	5,462,028		5,053,595		4,818,516
	2,498,656		2,787,322		3,597,902
	23,045,576		23,100,118		22,176,633
	123,066,398		140,420,970		156,053,072
	98,154,454		102,732,308		107,975,844
	21,328,456		22,213,545		30,172,158
	28,010,881		4,272,325		278,935,346
	11,919,973		11,919,973		11,919,973
	<u>3,710,610,593</u>		<u>4,028,728,606</u>		<u>5,018,928,037</u>

TABLE 4.- FUNDED DEBT AND TREASURY BILLS UNMATURED
Classified to Show Where Payable,
Amount Outstanding, and Total

Where Payable	Date of Maturity	Rate of Interest %	Amount Outstanding		
			1939	1940	1941
			\$	\$	\$
Canada - Bonds, Debentures, etc.					
	1939 - June 1	1	20,000,000	-	-
	June 1	1	20,000,000	-	-
	July 1	4	33,293,471	-	-
	Oct. 15	4	47,269,500	-	-
	Oct. 15	2½	7,933,000	-	-
	Nov. 15	2	20,000,000	-	-
	1940 - Mar. 1	3	115,013,637	-	-
	June 1	1½	80,000,000	80,000,000	-
	July 1	4	-	33,293,471	-
	Sept. 1	4½	75,000,000	75,000,000	-
	1941 - Mar. 15	1	45,000,000	45,000,000	-
	May 1	1	-	-	250,000,000
	July 1	4	-	-	33,293,471
1/	Oct. 16	2	-	200,000,000	200,000,000
	Nov. 15	5	141,663,000	141,663,000	141,663,000
	1942 - May 15	1½	-	95,500,000	95,500,000
	June 1	2	60,000,000	60,000,000	60,000,000
	Oct. 15	3	40,409,000	40,409,000	40,409,000
	1943 - June 1	2½	20,000,000	20,000,000	20,000,000
2/	July 2	1½	-	-	250,000,000
	Oct. 15	5	147,000,100	147,000,100	147,000,100
	1944 - June 1	2	90,625,000	90,625,000	90,625,000
	Oct. 15	4½	50,000,000	50,000,000	50,000,000
	Nov. 15	2½	20,000,000	20,000,000	20,000,000
	1945 - Mar. 1	2	-	40,000,000	105,000,000
3/	June 15	-	-	-	6,033,957
4/	Oct. 15	4	88,337,500	88,337,500	88,337,500
	1946 - Feb. 1	4½	45,000,000	45,000,000	45,000,000
5/	1948 - Feb. 1	3½	-	50,000,000	50,000,000
5/	1949 - Feb. 1	3½	-	50,000,000	50,000,000
6/	June 1	3½	33,500,000	33,500,000	33,500,000
7/	Oct. 15	3½	138,322,000	138,322,000	138,322,000
5/	1950 - Feb. 1	3½	-	50,000,000	50,000,000
8/	1951 - Feb. 1	3½	-	50,000,000	50,000,000
9/	Nov. 15	3½	60,000,000	60,000,000	60,000,000
10/	1952 - Feb. 1	3½	-	50,000,000	50,000,000
11/	Oct. 1	3	-	-	324,945,700
12/	Oct. 15	4	56,191,000	56,191,000	56,191,000
13/	1955 - June 1	3	40,000,000	40,000,000	40,000,000
13/	June 1	3	55,000,000	55,000,000	55,000,000
14/	1956 - Nov. 1	4½	43,125,700	43,125,700	43,125,700
15/	1957 - Nov. 1	4½	37,523,200	37,523,200	37,523,200
16/	1958 - June 1	3	49,200,000	88,200,000	88,200,000
17/	Nov. 1	1½	276,687,600	276,687,600	276,687,600
18/	1959 - Nov. 1	4½	289,693,300	289,693,300	289,693,300
19/	1966 - June 1	3½	54,703,000	54,703,000	54,703,000
20/	Perpetual	3	55,000,000	55,000,000	55,000,000
21/		3	-	-	48,945,457
			-	-	3,070,088
Total Bonds, Debentures, etc.			2,355,490,008	2,749,773,871	3,497,769,073

OF THE DOMINION GOVERNMENT AS AT MARCH 31st

Date of Maturity, Rate of Interest,

Annual Interest Payable

Annual Interest Payable Thereon			Description
1939	1940	1941	
\$	\$	\$	
200,000	-	-	Conversion Loan, 1937
200,000	-	-	Refunding Loan, 1937
1,331,739	-	-	Debentures - School Lands
1,890,780	-	-	Refunding Loan, 1933
198,325	-	-	" " 1934
400,000	-	-	Loan of 1935
3,450,409	-	-	" " 1935
1,200,000	1,200,000	-	" " 1936
-	1,331,739	-	Debentures - School Lands
3,375,000	3,375,000	-	Refunding Loan, 1925
450,000	450,000	-	4½ Year Notes, 1936-41
-	-	2,500,000	One Year Notes
-	-	1,331,739	Debentures - School Lands
-	4,000,000	4,000,000	2 Year Notes
7,083,150	7,083,150	7,083,150	National Service Loan, 1931-41
-	1,432,500	1,432,500	Loan of 1939
1,200,000	1,200,000	1,200,000	Conversion Loan, 1937
1,212,270	1,212,270	1,212,270	Refunding Loan, 1934
500,000	500,000	500,000	Loan of 1935
-	-	3,750,000	2½ Year Notes
7,350,005	7,350,005	7,350,005	Refunding Loan, 1923
1,812,500	1,812,500	1,812,500	Loan of 1938
2,250,000	2,250,000	2,250,000	Refunding Loan, 1924
500,000	500,000	500,000	" " 1937
-	800,000	2,100,000	Loan of 1940
-	-	-	Non-Interest Bearing Certificates
3,533,500	3,533,500	3,533,500	Refunding Loan, 1933
2,025,000	2,025,000	2,025,000	" " 1926
-	1,625,000	1,625,000	First War Loan, 1940
-	1,625,000	1,625,000	" " " 1940
1,088,750	1,088,750	1,088,750	Conversion Loan, 1937
4,841,270	4,841,270	4,841,270	Refunding Loan, 1934
-	1,625,000	1,625,000	First War Loan, 1940
-	1,625,000	1,625,000	" " " 1940
1,950,000	1,950,000	1,950,000	Refunding Loan, 1937
-	1,625,000	1,625,000	First War Loan, 1940
-	-	9,748,371	Second War Loan, 1940
2,247,640	2,247,640	2,247,640	Loan of 1932
1,200,000	1,200,000	1,200,000	Loan of 1935, dated June 1
1,650,000	1,650,000	1,650,000	" " 1935 " Nov.15
1,940,656	1,940,656	1,940,656	Conversion Loan, 1931
1,688,544	1,688,544	1,688,544	" " " 1931
1,476,000	2,646,000	2,646,000	Loan of 1938-39
12,450,942	12,450,942	12,450,942	Conversion Loan, 1931
13,036,198	13,036,198	13,036,198	" " " 1931
1,777,848	1,777,848	1,777,848	Loan of 1936
1,650,000	1,650,000	1,650,000	" " 1936
-	-	1,468,364	War Savings Certificates
-	-	-	War Savings Stamps
<u>87,160,526</u>	<u>96,348,512</u>	<u>110,090,247</u>	

TABLE 4.- FUNDED DEBT AND TREASURY BILLS UNMATURED
Classified to Show Where Payable,
Amount Outstanding, and Total

Where Payable	Date of Maturity	Rate of Interest %	Amount Outstanding		
			1939 \$	1940 \$	1941 \$
Canada - Treasury Bills					
	1939 - April 14	.690	30,000,000	-	-
	May 1	.691	25,000,000	-	-
	May 15	.681	25,000,000	-	-
	June 1	.670	25,000,000	-	-
	June 15	.655	25,000,000	-	-
	June 30	.643	25,000,000	-	-
	1940 - April 1	.788	-	25,000,000	-
	April 15	.784	-	30,000,000	-
	May 1	.752	-	25,000,000	-
	May 15	.746	-	25,000,000	-
	May 31	.751	-	25,000,000	-
	June 14	.747	-	25,000,000	-
	1941 - April 2	.643	-	-	35,000,000
	April 18	.631	-	-	40,000,000
	May 2	.626	-	-	35,000,000
	May 16	.624	-	-	40,000,000
	May 30	.623	-	-	40,000,000
	June 13	.609	-	-	40,000,000
Total Treasury Bills			155,000,000	155,000,000	230,000,000
Total Payable in Canada			2,510,490,008	2,904,773,871	3,727,769,073
London	1947 - Oct. 1	2½	4,888,185	4,888,185	4,888,185
	1950 - July 1	3½	22/137,058,841	23/52,763,135	23/-
	24/ 1955 - May 1	3½	48,666,667	48,666,667	48,666,667
	25/ 1958 - Sept. 1	4	73,000,000	73,000,000	73,000,000
	26/ 1960 - Oct. 1	4	93,926,667	93,926,667	-
	27/ 1963 - July 1	3½	48,666,667	48,666,667	48,666,667
Total Payable in London			406,207,027	321,911,321	175,221,519
New York	28/ 1941 - May 1	1½	20,000,000	20,000,000	20,000,000
	29/ 1944 - Jan. 15	2¼	30,000,000	30,000,000	30,000,000
	30/ 1945 - Aug. 15	2½	76,000,000	76,000,000	76,000,000
	31/ 1952 - May 1	5	100,000,000	100,000,000	100,000,000
	32/ 1960 - Oct. 1	4	100,000,000	100,000,000	100,000,000
	33/ 1961 - Jan. 15	3½	48,000,000	48,000,000	48,000,000
	34/ 1967 - Jan. 15	3	55,000,000	55,000,000	55,000,000
	35/ 1968 - Nov. 15	3	40,000,000	40,000,000	40,000,000
Total Payable in New York			469,000,000	469,000,000	469,000,000
GRAND TOTAL			3,385,697,035	3,695,685,192	4,371,990,592

See footnotes on pages 16 and 17

Note: Funded Debt Matured and Outstanding and Stocks Payable on Demand are now included in "Floating Debt". See Liabilities, Table 3.

OF THE DOMINION GOVERNMENT AS AT MARCH 31st (Concluded)

Date of Maturity, Rate of Interest,

Annual Interest Payable

Annual Interest Payable Thereon			Description
1939	1940	1941	
\$	\$	\$	
207,000	-	-	Treasury Bills
172,750	-	-	" "
170,250	-	-	" "
167,500	-	-	" "
163,750	-	-	" "
160,750	-	-	" "
-	197,000	-	" "
-	235,200	-	" "
-	188,000	-	" "
-	186,500	-	" "
-	187,750	-	" "
-	186,750	-	" "
-	-	225,050	" "
-	-	252,400	" "
-	-	219,100	" "
-	-	249,600	" "
-	-	249,200	" "
-	-	243,600	" "
1,042,000	1,181,200	1,438,950	
88,202,526	97,529,712	111,529,197	
122,204	122,204	122,204	Loan of 1897, £1,004,421-14-2
4,797,059	1,846,710	-	" " 1930-50, £28,162,775-11-0 in 1939 & in 1940 £10,841,740-3-3
1,581,667	1,581,667	1,581,667	" " 1934, £10,000,000-0-0
2,920,000	2,920,000	2,920,000	" " 1933, £15,000,000-0-0
3,757,067	3,757,067	-	" " 1940-60, £19,300,000-0-0
1,581,667	1,581,667	1,581,667	" " 1958-63, £10,000,000-0-0
14,759,664	11,809,315	6,205,538	
250,000	250,000	250,000	Twenty-seven Months Notes
675,000	675,000	675,000	Loan of 1937
1,900,000	1,900,000	1,900,000	" " 1935
5,000,000	5,000,000	5,000,000	" " 1922
4,000,000	4,000,000	4,000,000	" " 1930
1,560,000	1,560,000	1,560,000	" " 1936
1,650,000	1,650,000	1,650,000	" " 1937
1,200,000	1,200,000	1,200,000	" " 1938
16,235,000	16,235,000	16,235,000	
119,197,190	125,574,027	133,969,735	

- 1/ Subject to redemption in whole or in part on Oct. 16, 1940, or at any time thereafter on 30 days' notice.
- 2/ Subject to redemption as a whole or in part on Jan. 2, 1943, or at any time thereafter on 60 days' notice.
- 3/ Subject to redemption at the option of the holder at any time after 6 months from date of issue.
- 4/ Subject to redemption as a whole on Oct. 15, 1943, or on any subsequent interest date on 60 days' notice.
- 5/ Drawn by lot and redeemable at 100%.
- 6/ Subject to redemption in whole or in part on June 1, 1946, or on any subsequent interest date on 60 days' notice.
- 7/ Subject to redemption as a whole on Oct. 15, 1944, or on any subsequent interest date on 60 days' notice.
- 8/ Drawn by lot and redeemable at 100 $\frac{1}{2}$ %.
- 9/ Subject to redemption in whole or in part on Nov. 15, 1948, or on any subsequent interest date on 60 days' notice.
- 10/ Drawn by lot and redeemable at 101%.
- 11/ Subject to redemption as a whole or in part on Oct. 1, 1949, or on any subsequent interest date on 60 days' notice.
- 12/ Subject to redemption as a whole on Oct. 15, 1947, or on any subsequent interest date on 60 days' notice.
- 13/ Subject to redemption as a whole on June 1, 1950, or on any subsequent interest date on 60 days' notice.
- 14/ Subject to redemption as a whole on Nov. 1, 1946, or on any subsequent interest date on 60 days' notice.
- 15/ Subject to redemption as a whole on Nov. 1, 1947, or on any subsequent interest date on 60 days' notice.
- 16/ Subject to redemption in whole or in part on June 1, 1953, or on any subsequent interest date on 60 days' notice.
- 17/ Subject to redemption as a whole on Nov. 1, 1948, or on any subsequent interest date on 60 days' notice.
- 18/ Subject to redemption as a whole on Nov. 1, 1949, or on any subsequent interest date on 60 days' notice.
- 19/ Subject to redemption as a whole on June 1, 1956, or on any subsequent interest date on 60 days' notice.
- 20/ Subject to redemption in whole or in part on or after Sept. 15, 1966, on 60 days' notice.
- 21/ Date of maturity 7 $\frac{1}{2}$ years from date of issue or on demand at any time following 6 months after the date of issue at graduated values, subject to 90 days' notice.
- 22/ Subject to redemption on 6 months' notice on or after July 1, 1930.
- 23/ Called for Payment April 17, 1940.

- 24/ Subject to redemption in whole or in part on or after May 1, 1950, on 3 months' notice.
- 25/ Subject to redemption in whole or in part on or after Sept. 1, 1953, on 3 months' notice.
- 26/ Subject to redemption in whole or in part on or after Oct. 1, 1940, on 3 months' notice.
- 27/ Subject to redemption in whole or in part on or after July 1, 1958, on 3 months' notice.
- 28/ Subject to redemption in whole or in multiples of \$100,000 after Mar. 31, 1941, on 10 days' notice, at 100 and accrued interest.
- 29/ Subject to redemption as a whole on or after Jan. 15, 1943, on 30 days' notice.
- 30/ Subject to redemption in whole or in part on Aug. 15, 1943, or on any subsequent interest date, on 30 days' notice.
- 31/ Subject to redemption as a whole on or after May 1, 1942, on 60 days' notice.
- 32/ Subject to redemption as a whole on Oct. 1, 1950, or on any subsequent interest date, on 60 days' notice.
- 33/ Subject to redemption in whole or in part on Jan. 15, 1956, or on any subsequent interest date, on 30 days' notice.
- 34/ Subject to redemption in whole or in part on any interest date, on 60 days' notice, at the following percentages of par:-

To and including January 15, 1942, at 105 per cent.
 Thereafter to and including Jan. 15, 1947, at 104 per cent.
 " " " " Jan. 15, 1952, " 103 " "
 " " " " Jan. 15, 1957 " 102 " "
 " " " " Jan. 15, 1962 " 101 " " , and
 " at 100 per cent.

- 35/ Subject to redemption in whole or in part on any interest date, on 60 days' notice, at the following percentages of par:-

To and including Nov. 15, 1943, at 105 per cent.
 Thereafter to and including Nov. 15, 1948, at 104 per cent.
 " " " " Nov. 15, 1953, " 103 " "
 " " " " Nov. 15, 1958, " 102 " "
 " " " " Nov. 15, 1963, " 101 " " , and
 " at 100 per cent.

TABLE 5.- THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING

Security	Where Payable	Amount of Guarantee Authorized Applicable to Each Year
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -		\$
1. Canadian Northern Ry. Co.		
(a) 3% deb. stock due 1953 £1,923,287-0-0	London	9,359,997
(b) 3½% deb. stock due 1938 £1,622,586-19-9	1/ New York	7,896,590
(c) 6½% bonds due 1946		25,000,000
2. Canadian North. Ontario Ry. Co.		
3½% deb. stock due 1961 £7,350,000-0-0	London	35,770,000
3. Canadian North. Alberta Ry. Co.		
(a) 3½% deb. stock due 1960 £647,260-5-6	London	3,150,000
(b) 3½% deb. stock due 1962 £733,561-12-10	London and Can.	3,570,000
4. Grand Trunk Pacific Ry. Co.		
(a) 3% bonds due 1962 £14,000,000-0-0	Lon., N.Y., Can.	68,040,000
(b) 4% bonds due 1962 £3,280,000-0-0	" " "	15,940,800
5. Canadian National Ry. Co.		
(a) 5% bonds due 1954	Canada	50,000,000
(b) 1927, 2% guar.deb.stock £7,176,801-0-0	London	34,927,098
(c) 4½% gold bonds due 1957	N.Y. and Can.	65,000,000
(d) 5% gold bonds due July 1, 1969	Lon., N.Y., Can.	60,000,000
(e) 5% gold bonds due Oct. 1, 1969	" " "	60,000,000
(f) 5% gold bonds due 1970	" " "	18,000,000
(g) 4½% gold bonds due 1955	" " "	50,000,000
(h) 4½% " " " 1956	" " "	70,000,000
(i) 4½% " " " 1951	" " "	50,000,000
(j) 3% bonds due 1950	Canada	20,500,000
(k) 3% " " 1944	"	35,000,000
(l) 2% " " 1943	"	55,000,000
(m) 3% " " 1953	"	25,000,000
(n) 2½% " " 1944	"	15,500,000
(o) 3% " " 1952	"	20,000,000
(p) 2% bonds due 1942	"	20,000,000
(q) 3% " " 1950	"	30,000,000
(r) 2½% " " 1946	"	15,000,000
(s) 3% " " 1959	"	35,000,000
TOTALS		897,654,485
RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -		\$
1. Grand Trunk Ry. Acquisition Guarantees		
(a) 4% G.T.R. perp.guar.stock £12,500,000-0-0	London	60,833,333
(b) 4% G.T.R. perp.deb.stock £24,624,455-0-0	"	119,839,014
(c) 5% G.T.R. perp.deb.stock £ 4,270,375-0-0	"	20,782,492
(d) 5% Gr.West perp.deb.stock £ 2,723,080-0-0	"	13,252,323
(e) 4% Nor. Ry.perp.deb.stock £ 308,215-0-0	"	1,499,980
TOTALS		216,207,142

1/ Part of this payable in Canada, part in London and the balance in London and Canada.

DOMICILIATION OF PRINCIPAL AND INTEREST PAYABLE, MARCH 31, 1939, 1940 AND 1941

Amount Outstanding at March 31, 1939		Amount Outstanding at March 31, 1940		Amount Outstanding at March 31, 1941	
Held by the Public	Held by the Can.Nat.Ry. Securities Trust	Held by the Public	Held by the Can.Nat.Ry. Securities Trust	Held by the Public	Held by the Can.Nat.Ry. Securities Trust
\$	\$	\$	\$	\$	\$
9,359,997	-	9,359,997	-	9,359,997	-
7,896,544	-	7,896,542	-	7,896,542	-
24,238,000	-	24,238,000	-	23,897,000	-
34,229,997	1,540,003	34,229,997	1,540,003	34,229,997	1,540,003
3,149,998	-	3,149,998	-	3,149,998	-
-	3,569,997	-	3,569,997	-	3,569,997
34,992,000	33,048,000	34,992,000	33,048,000	34,992,000	33,048,000
8,440,848	7,499,952	8,440,848	7,499,952	8,440,848	7,499,952
50,000,000	-	50,000,000	-	50,000,000	-
22,351,232	-	21,401,371	-	20,432,116	-
65,000,000	-	65,000,000	-	65,000,000	-
60,000,000	-	60,000,000	-	60,000,000	-
60,000,000	-	60,000,000	-	60,000,000	-
18,000,000	-	18,000,000	-	18,000,000	-
50,000,000	-	50,000,000	-	50,000,000	-
70,000,000	-	70,000,000	-	70,000,000	-
50,000,000	-	50,000,000	-	50,000,000	-
20,500,000	-	20,500,000	-	20,500,000	-
35,000,000	-	35,000,000	-	35,000,000	-
55,000,000	-	55,000,000	-	55,000,000	-
25,000,000	-	25,000,000	-	25,000,000	-
15,500,000	-	15,500,000	-	15,500,000	-
20,000,000	-	20,000,000	-	20,000,000	-
20,000,000	-	20,000,000	-	20,000,000	-
30,000,000	-	30,000,000	-	30,000,000	-
15,000,000	-	15,000,000	-	15,000,000	-
35,000,000	-	35,000,000	-	35,000,000	-
838,658,616	45,657,952	837,708,753	45,657,952	836,398,498	45,657,952
\$	\$	\$	\$	\$	\$
60,833,333	-	60,833,333	-	60,833,333	-
119,839,014	-	119,839,014	-	2/20,704,571	-
20,782,492	-	20,782,492	-	20,782,492	-
13,252,323	-	13,252,323	-	13,252,323	-
1,499,980	-	1,499,980	-	1,499,980	-
216,207,142	-	216,207,142	-	117,072,699	-

2/ At March 31, 1941, \$20,370,091 (\$99,134,443) had been purchased by the C.N.R. by means of loans from the Dominion Government to the amount of \$94,150,866.

TABLE 5.- THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING DOMICILIATION

Security	Where Payable	Amount of Guarantee Authorized Applicable to Each Year
OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -		\$
1. Montreal Harb.Comm.Jacq.Cartier Bridge, 5% bonds due 1969	London, N.Y. and Canada	19,500,000
2. Can.Nat.(W.I.) Steamships, Ltd. 5% bonds due 1955	London, N.Y. and Canada	10,000,000
3. Saint John Harbour Comm. -		
(a) Saint John City Bonded Indebtedness assumed	1/	1,467,165
(b) Comm. Debent., issued to city Saint John, 5% due Aug. 1, 1952	Canada	667,953
4. New Westminster Harb. Comm. 4 3/4% deb. due 1948	New York and Canada	700,000
TOTALS		32,335,118
OTHER GUARANTEES -		\$
1. Bank Advances -		
(a) Manitoba Savings Office	Canada	12,442,400
(b) Govt. of Newfoundland	"	625,000
(c) Grain Marketing -		
(1) Can. Co-op.Wheat Prod. Ltd.(Sask.Oats Acc't.)	"	-
(2) The Can. Wheat Board	"	2/75,000,000
(d) Young Men's Christian Association	"	235,000
(e) Govt. War Contracts - Dept. of Munitions and Supply	"	2,425,000
2. Bank Loans -		
(a) Guarantees under Sask. Seed Grain Loans Guar. Act, 1936	"	4,000,000
(b) Guarantees under Seed Grain Loans Guar. Act, 1937	"	8,950,000
(c) Guarantees under Seed Grain Loans Guar. Act, 1938	"	16,400,000
3. Treasury Bills -		
(a) Province of British Columbia	"	626,534
(b) Province of Manitoba	"	5,894,127
4. Bank of Canada, Chartered Banks Deposits	"	Unstated
5. National Housing Act, loans made by approved leading institutions	"	Unstated
6. The Home Improvement Loans Guarantee Act, loans made by approved leading institutions	"	7,500,000
7. Winnipeg Grain and Produce Clearing Assn.Ltd. Day to day margins of the Can. Wheat Board	"	Unstated

1/ Part payable in London, New York and Canada; balance in Canada.

2/ \$75,000,000 authorized in 1939, \$110,000,000 in 1940 and \$125,000,000 in 1941.

OF PRINCIPAL AND INTEREST PAYABLE, MARCH 31, 1939, 1940 AND 1941 (Concluded)

Amount Outstanding at March 31, 1939		Amount Outstanding at March 31, 1940		Amount Outstanding at March 31, 1941	
Held by the Public	Held by the Can.Nat.Ry. Securities Trust	Held by the Public	Held by the Can.Nat.Ry. Securities Trust	Held by the Public	Held by the Can.Nat.Ry. Securities Trust
\$	\$	\$	\$	\$	\$
19,000,000	-	19,000,000	-	19,000,000	-
9,400,000	-	9,400,000	-	9,400,000	-
832,385	-	795,385	-	777,229	-
667,953	-	667,953	-	667,953	-
700,000	-	700,000	-	700,000	-
30,600,338	-	30,563,338	-	30,545,182	-
\$	\$	\$	\$	\$	\$
6,688,965	-	6,399,821	-	6,218,267	-
625,000	-	625,000	-	625,000	-
173,665	-	-	-	-	-
61,155,470	-	42,998,100	-	101,052,679	-
-	-	-	-	68,732	-
-	-	-	-	1,044,816	-
2,555,113	-	-	-	-	-
3/6,998,821	-	3/6,891,858	-	-	-
4/	-	4/	-	4/	-
626,534	-	626,534	-	626,534	-
4,878,763	-	4,809,206	-	4,805,723	-
205,641,646	-	202,324,405	-	207,994,267	-
Indeterminate	-	Indeterminate	-	Indeterminate	-
3,914,867	-	6,079,595	-	7,361,067	-
-	-	-	-	-	-

3/ Principal outstanding July 31, 1939 and January 31, 1940.

4/ Specific Guarantee not yet given as amount not finally determined.

TABLE 6.- ANALYSIS OF DOMINION GOVERNMENT FUNDED
(Classified as to Amounts Payable under each

DIRECT FUNDED DEBT

Where Payable	Year	Under 1%	1%	1½%	1½%	2%	2½%	2½%
		\$	\$	\$	\$	\$	\$	\$
Canada	1939	1/ 155,000,000	85,000,000	-	80,000,000	170,625,000	-	47,933,000
	1940	1/ 155,000,000	45,000,000	-	175,500,000	390,625,000	-	40,000,000
	1941	1/ 230,000,000	250,000,000	-	345,500,000	455,625,000	-	40,000,000
London	1939	-	-	-	-	-	-	4,888,185
	1940	-	-	-	-	-	-	4,888,185
	1941	-	-	-	-	-	-	4,888,185
New York	1939	-	-	20,000,000	-	-	30,000,000	76,000,000
	1940	-	-	20,000,000	-	-	30,000,000	76,000,000
	1941	-	-	20,000,000	-	-	30,000,000	76,000,000
Total	1939	1/ 155,000,000	85,000,000	20,000,000	80,000,000	170,625,000	30,000,000	128,821,185
	1940	1/ 155,000,000	45,000,000	20,000,000	175,500,000	390,625,000	30,000,000	120,888,185
	1941	1/ 230,000,000	250,000,000	20,000,000	345,500,000	455,625,000	30,000,000	120,888,185

GUARANTEED DEBT

Where Payable	Year	2%	2½%	3%	3½%	4%
		\$	\$	\$	\$	\$
Canada	1939	75,000,000	30,500,000	165,500,000	-	-
	1940	75,000,000	30,500,000	165,500,000	-	-
	1941	75,000,000	30,500,000	165,500,000	-	-
London	1939	22,351,232	-	9,359,997	37,379,995	4/ 182,172,327
	1940	21,401,371	-	9,359,997	37,379,995	4/ 182,172,327
	1941	20,432,116	-	9,359,997	37,379,995	4/ 83,037,884
London and Canada	1939	-	-	-	3/ 7,896,544	-
	1940	-	-	-	3/ 7,896,542	-
	1941	-	-	-	3/ 7,896,542	-
London, New York & Canada	1939	-	-	34,992,000	-	8,440,848
	1940	-	-	34,992,000	-	8,440,848
	1941	-	-	34,992,000	-	8,440,848
New York	1939	-	-	-	-	-
	1940	-	-	-	-	-
	1941	-	-	-	-	-
New York and Canada	1939	-	-	-	-	-
	1940	-	-	-	-	-
	1941	-	-	-	-	-
Total	1939	97,351,232	30,500,000	209,851,997	45,276,539	190,613,175
	1940	96,401,371	30,500,000	209,851,997	45,276,537	190,613,175
	1941	95,432,116	30,500,000	209,851,997	45,276,537	91,478,732

1/ Treasury Bills - in 1939 there was \$25,000,000 at each of the following rates: .643; .655; .670; .681; .691 and \$30,000,000 at .690; in 1940 there was \$25,000,000 at .746; .747; .751; .752; .788 and \$30,000,000 at .784; while in 1941 \$35,000,000 was payable at both .626 and .643 with \$40,000,000 at each of the following: .609; .623; .624 and .631. 2/ \$6,033,957 non-interest bearing certificates and \$3,070,088 War Savings Stamps. 3/ Part is payable in Canada, part in London and balance in London and Canada.

AND GUARANTEED DEBT ACCORDING TO INTEREST RATES
(Rate of Interest and their Domiciliation)

DIRECT FUNDED DEBT

3%	3½%	3½%	4%	4½%	5%	Not Stated	Total
\$	\$	\$	\$	\$	\$	\$	\$
354,622,637	148,203,000	138,322,000	225,091,471	817,029,800	288,663,100	-	2,510,490,008
278,609,000	398,203,000	138,322,000	177,821,971	817,039,800	288,663,100	-	2,904,773,871
652,500,157	398,203,000	138,322,000	177,821,971	742,029,800	288,663,100	2/ 9,104,045	3,727,769,073
-	97,333,334	137,058,841	166,926,667	-	-	-	406,207,027
-	97,333,334	52,763,135	166,926,667	-	-	-	321,911,321
-	97,333,334	-	73,000,000	-	-	-	175,221,519
95,000,000	48,000,000	-	100,000,000	-	100,000,000	-	469,000,000
95,000,000	48,000,000	-	100,000,000	-	100,000,000	-	469,000,000
95,000,000	48,000,000	-	100,000,000	-	100,000,000	-	469,000,000
449,622,637	293,536,334	275,330,841	492,018,138	817,029,800	388,663,100	-	3,385,697,035
373,609,000	543,536,334	191,085,135	444,748,638	817,029,800	388,663,100	-	3,695,685,192
747,500,157	543,536,334	138,322,000	350,821,971	742,029,800	388,663,100	2/ 9,104,045	4,371,990,592

GUARANTEED DEBT

4½%	4¾%	5%	6½%	Not Stated	Total
\$	\$	\$	\$	\$	\$
-	-	50,667,953	-	5/ 294,091,229	615,759,182
-	-	50,667,953	-	5/ 271,549,904	593,217,857
-	-	50,667,953	-	5/ 330,574,314	652,242,267
-	-	4/ 34,034,815	-	-	285,298,366
-	-	4/ 34,034,815	-	-	284,348,505
-	-	4/ 34,034,815	-	-	184,244,807
-	-	-	-	-	3/ 7,896,544
-	-	-	-	-	3/ 7,896,542
-	-	-	-	-	3/ 7,896,542
120,000,000	50,000,000	166,400,000	-	-	379,832,848
120,000,000	50,000,000	166,400,000	-	-	379,832,848
120,000,000	50,000,000	166,400,000	-	-	379,832,848
-	-	-	24,238,000	-	24,238,000
-	-	-	24,238,000	-	24,238,000
-	-	-	23,897,000	-	23,897,000
65,000,000	700,000	-	-	-	65,700,000
65,000,000	700,000	-	-	-	65,700,000
65,000,000	700,000	-	-	-	65,700,000
185,000,000	50,700,000	251,102,768	24,238,000	5/ 294,091,229	6/ 1,378,724,940
185,000,000	50,700,000	251,102,768	24,238,000	5/ 271,549,904	6/ 1,355,233,752
185,000,000	50,700,000	251,102,768	23,897,000	5/ 330,574,314	6/ 1,313,813,464

4/ Interest only is guaranteed. 5/ Including \$832,385 in 1939, \$795,385 in 1940 and \$777,229 in 1941, part payable in London, New York and Canada and balance in Canada. 6/ There was also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited, day to day margins of the Canadian Wheat Board (closed out daily), Bank Loans guaranteed under the Seed Grain Loans Guarantee Act 1938 have been authorized up to \$16,400,000 and an indeterminate amount has been guaranteed under the National Housing Act.

TABLE 7.- DEBT OF PROVINCIAL GOVERNMENTS AT THE END
(Showing the Domiciliation of Bonded Debt; Sinking
Available Assets Offsetting Direct

		Prince Edward Island	Nova Scotia	New Brunswick
Fiscal Year Ending		Dec. 31	Nov. 30	Oct. 31
Funded Debt -		\$	\$	\$
Gross Bonded or Debenture Debt -				
Payable in Canada	1939	7,218,000	55,474,446	53,781,500
	1940	8,518,000	58,868,447	53,042,500
Canada or London	1939	-	-	5,589,576
	1940	-	-	3,224,000
Canada, London or	1939	-	-	297,000
New York	1940	-	-	-
Canada or New York	1939	-	40,574,000	43,606,000
	1940	-	40,574,000	42,486,000
London	1939	-	5,685,067	4,024,096
	1940	-	5,680,200	4,024,096
New York	1939	-	-	-
	1940	-	-	-
Other or Not Stated	1939	-	-	-
	1940	-	-	-
Less Assumed by C.N.R.	1939	-	-	-3,729,599
	1940	-	-	-1,364,023
Total Bonded or	1939	7,218,000	3/101,733,513	103,568,573
Debenture Debt	1940	8,518,000	3/105,122,647	101,412,573
Sinking Funds - Deductible	1939	1,498,462	7,789,708	4/11,305,233
	1940	1,703,096	8,655,366	4/11,375,829
Total Net Bonded Debt	1939	5,719,538	93,943,805	92,263,340
	1940	6,814,904	96,467,281	90,036,744
Treasury Bills	1939	-	3,184,000	-
	1940	-	-	2,951,000
Total Net Funded Debt	1939	5,719,538	97,127,805	92,263,340
	1940	6,814,904	96,467,281	92,987,744
Other Direct Liabilities	1939	4,078,698	4,891,737	3,871,382
	1940	3,622,034	5,276,488	2,174,502
Total Direct Liabilities less Sinking Funds	1939	9,798,236	102,019,542	96,134,722
	1940	10,436,938	101,743,769	95,162,246
6/Assets Available or Realizable-Deductible	1939	963,715	26,300,019	10,766,569
	1940	994,504	25,687,425	10,219,306
Total Net Direct Liabilities	1939	8,834,521	75,719,523	85,368,153
	1940	9,442,434	76,056,344	84,942,940
Total Indirect or Guaranteed Liabilities	1939	-	4,197,987	2,500,922
	1940	-	3,733,278	2,847,752

1/Payable in London or Paris. 2/Railway Aid Certificates. 3/Including \$13,828,755 borrowed for N.S.Power Commission. 4/Including Balance Credit with the Dominion Government \$529,299. 5/Including \$15,000,000 for bonds issued to La Banque Canadienne Nationale -

OF THEIR RESPECTIVE FISCAL YEARS IN 1939 AND 1940
Funds; Treasury Bills; Other Direct Liabilities;
Liabilities, and Indirect Liabilities)

Quebec	Ontario	1/Manitoba	Saskat- chewan	Alberta	British Columbia	Total
June 30	Mar. 31	April 30	April 30	Mar. 31	Mar. 31	
\$	\$	\$	\$	\$	\$	\$
230,209,782	318,460,250	29,613,700	57,209,597	29,786,064	29,440,500	811,193,839
289,382,782	339,487,800	30,541,700	60,086,677	29,786,064	29,848,000	899,561,970
-	-	11,142,087	10,861,176	4,000,200	20,160,000	51,753,039
-	-	11,142,087	10,861,176	4,000,200	20,160,000	49,387,463
15,000,000	233,416,500	3,495,000	4,721,000	19,915,000	4,000,000	280,844,500
15,000,000	235,424,500	3,495,000	4,721,000	19,915,000	4,000,000	282,555,500
39,000,000	49,638,000	40,597,000	51,008,500	59,029,000	64,195,800	387,648,300
69,000,000	49,682,300	39,447,000	48,008,500	59,029,000	62,677,800	410,904,600
5,727,001	5,920,625	8,156,694	-	15,268,023	24,471,936	69,253,442
5,727,001	5,828,401	8,156,694	-	15,244,273	24,471,936	69,132,601
-	-	395,000	-	-	-	395,000
-	-	395,000	-	-	-	395,000
1/4,736,316	2/353,180	-	-	-	-	5,089,496
1/4,736,316	2/267,210	-	-	-	-	5,003,526
-	-	-	-	-	-	-3,729,599
-	-	-	-	-	-	-1,364,023
294,673,099	607,788,555	93,399,481	123,800,273	127,998,287	142,268,236	1,602,448,017
383,846,099	630,690,211	93,177,481	123,677,353	127,974,537	141,157,736	1,715,576,637
5/41,953,817	10,898,423	12,656,303	13,835,547	12,592,981	32,634,974	145,164,448
5/44,041,418	11,945,757	13,944,278	15,688,580	13,217,100	34,285,897	154,857,321
252,719,282	596,890,132	80,744,178	109,964,726	115,405,306	109,633,262	1,457,283,569
339,804,681	618,744,454	79,233,203	107,988,773	114,757,437	106,871,839	1,560,719,316
25,000,000	60,000,000	35,607,944	82,637,576	28,006,948	40,223,117	274,659,585
-	64,000,000	36,993,881	88,076,903	28,168,750	44,119,669	264,310,203
277,719,282	656,890,132	116,352,122	192,602,302	143,412,254	149,856,379	1,731,943,154
339,804,681	682,744,454	116,227,084	196,065,676	142,926,187	150,991,508	1,825,029,519
20,786,218	55,877,251	14,639,677	9,382,598	17,455,919	24,593,090	155,576,570
28,359,120	54,333,542	17,056,260	7,677,558	10,833,710	21,346,898	150,680,112
298,505,500	712,767,383	130,991,799	201,984,900	160,868,173	174,449,469	1,887,519,724
368,163,801	737,077,996	133,283,344	203,743,234	153,759,897	172,338,406	1,975,709,631
41,377,314	234,498,757	65,853,899	77,423,804	40,244,038	28,057,131	525,485,246
58,853,838	229,874,850	70,051,717	82,225,070	34,717,029	23,954,963	536,578,702
257,128,186	478,268,626	65,137,900	124,561,096	120,624,135	146,392,338	1,362,034,478
309,309,963	507,203,146	63,231,627	121,518,164	119,042,868	148,383,443	1,439,130,929
7/39,198,956	143,838,874	6,737,041	32,488,486	9,125,131	49,004,446	287,091,843
7/14,915,900	134,651,516	3,554,702	31,760,708	9,253,229	50,474,696	251,191,781

\$2,722,718 payments and accumulated interest represented by securities and cash in bank and \$12,277,282 balance of contract with La Banque Canadienne Nationale. 6/In addition, most of the provinces had partially secured loans and advances for Railways, Dyking Districts, Unemployment Relief, Seed Grain Relief, etc., a large portion of which will be realized. 7/Excluding promises to pay from the Public Charities and other funds.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS

A considerable portion of the bonded debt of the provinces has been incurred by the investment in or loans to public utilities, boards and commissions, which are of a revenue-producing character and which reimburse the province by annual interest payments on the money so invested.

Some of the principal revenue-producing investments are shown in the following table:

	<u>1939</u>	<u>1940</u>
	\$	\$
Nova Scotia Advances to Power Commission	13,608,000	13,608,000
Nova Scotia Investment in Halifax and S.W. Railway Bonds	4,447,000	4,447,000
New Brunswick Investment in Power Commission	9,281,000	9,262,000
Quebec Farm Credit Board Loan (net)	16,540,000	31,125,000
Quebec Water Storages	7,850,000	7,850,000
Quebec Toll and Other Bridges	9,600,000	10,170,000
Ontario Hydro Electric Power Commission	147,841,000	145,319,000
Ontario T. & N.O. Railway	30,208,000	30,208,000
Ontario Housing Loans	698,000	425,000
Ontario Drainage	1,639,000	1,526,000
Ontario Agricultural Development Board Investments	42,885,000	40,641,000
Manitoba Government Telephone System (less Sinking Funds)	19,425,000	19,233,000
Manitoba Drainage	1,579,000	1,508,000
Manitoba Power Commission	5,655,000	5,999,000
Manitoba Farm Loans Association Advances	9,305,000	8,594,000
Manitoba Pool Elevators Ltd.- Principal Outstanding	1,260,000	1,111,000
Saskatchewan Telephone	11,353,000	11,077,000
Saskatchewan Power Commission	5,837,000	5,952,000
Saskatchewan Farm Loan Board	16,461,000	16,206,000
Saskatchewan Co-operative Creameries	1,512,000	1,512,000
Saskatchewan Wheat Pool	10,468,000	9,868,000
Alberta Government Telephone	15,648,000	15,705,000
Alberta Loans to Can. Pac. and Can. Nat. Railways	5,580,000	-
Alberta Wheat Pool	<u>4,337,000</u>	<u>4,096,000</u>
	<u>393,017,000</u>	<u>395,442,000</u>

PROVINCIAL HIGHWAY DEBENTURES

Debentures are issued by the provinces for the construction of highways and roads as is shown in the following table. While they produce no direct revenue, good roads encourage tourist traffic and stimulate industrial life. The provincial governments derive revenue from the taxation of gasoline as well as from the licensing of motor vehicles, which amounted to \$66,378,000 in their fiscal years ended in 1939 and \$80,263,000 in 1940.

	<u>Year Ending</u>	<u>Debentures Outstanding</u>
		\$
Prince Edward Island	Not Available	
Nova Scotia	Nov. 30/40	56,509,950
New Brunswick	Oct. 31/40	73,543,303
Quebec	June 30/40	138,522,381
Ontario	Mar. 31/41	326,460,548
Manitoba	Apr. 30/41	17,727,996
Saskatchewan	Apr. 30/41	33,818,920
Alberta	Mar. 31/41	42,124,071
British Columbia	Mar. 31/41	<u>43,820,442</u>
		<u>732,527,611</u>

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEARS 1939 AND 1940

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. These government guarantees are for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the municipalities or companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Prince Edward Island.-- There are no indirect liabilities shown in the Public Accounts report of this province.

Nova Scotia.-- Guarantees to banks on loans to Nova Scotia Power Commission, municipalities, gold mines and coal companies, etc.; guarantees under Municipal Improvements Assistance Act; guarantees of bonds of the Halifax Exhibition Commission, Co-operative Fruit Growers' Finance Corporation, and Nova Scotia Power Commission; other contingent liabilities consisting of uncompleted contracts under the Highways Division, Dominion Government's share of unemployment relief costs, and accounts payable of the government controlled Inverness Mine.

New Brunswick.-- Bonds guaranteed as to principal and interest for the Town of Campbellton, railway companies, cold storage companies, Farmers' Co-operative Creamery, New Brunswick Apple Exchange Ltd., Roman Catholic Hospital, Port Royal Pulp and Paper Co. Ltd., and Richibucto and Rexton Electric Light Commissioners; bank loans guaranteed; loans from the Dominion under the "Municipal Improvements Assistance Act" 1938 and miscellaneous.

Quebec.-- Guarantees of debentures and notes of municipalities, schools, hospital, Corporation of Lake St. Louis Bridge and Quebec Farm Credit Bureau and guarantees to banks or loaning companies of loans to co-operative organizations or other industries.

Ontario.-- Guarantees of debentures, bonds or bank loans of municipalities, housing, park and power commissions, schools, universities, railways and co-operative associations.

Manitoba.-- Guarantees of principal and interest on securities of municipalities largely for good roads; Winnipeg and Brandon Hospitals and Cancer Relief and Research Institute; Canadian Northern Railway Securities in 1939, also bank overdrafts of certain municipalities for municipal and school purposes. The Province has also guaranteed interest only on certain municipal debentures, also rentals of leased railways to Northern Pacific Railway Company, and on the closing of the Provincial Savings Office the Province assumed the liability to depositors.

Saskatchewan.-- Guarantees of principal and interest of railway bond issues, advancement of agricultural interests, including Drainage District debentures, Seed Grain advances, Local Improvement Districts Acts and Relief Acts loans; Dominion-Municipal Improvements Assistance Act, 1938, Saskatchewan Power Commission line of credit at bank, Superannuation Account(interest accrued) and School Assessment Act.

Alberta.-- Guaranteed bonds and debentures of irrigation and drainage districts; guaranteed bank loans of co-operative credit societies, Alberta Hail Insurance Board, seed grain relief and tractor fuel oil advances, co-operative marketing and feeder associations and miscellaneous; other guarantees under Municipal Improvements Assistance Act Loans. There are also guarantees on C.N.W. Ry. and C.T.P. branch lines operated by the C.N.R.; guarantees on W.D. and B.C. Ry. debenture stock and bonds assumed by C.N.R. and C.P.R.; guarantees on Lacombe and North West Ry. Co. bonds assumed by C.P.R.; University of Alberta Hospital unguaranteed debentures and bank loan and overdraft; hospital requisition trust account bank loan and Alberta Liquor Control bank overdraft, all of which amount to over \$20,000,000. These have not been included in the total of Indirect Liabilities.

British Columbia.-- Guarantees Canadian Northern Pacific Railway Company (\$40,157,523) now operated by Canadian National Railway (British Columbia Government holds first mortgage on all Canadian Northern Pacific lines within Province); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen and South Westminster Dyking District. Sinking funds have been established in connection with the three last named guarantees. There are also small guarantees pursuant to "Department of Industries Act, 1919", "British Columbia Cancer Foundation Note Guarantee Act, 1936", and "Municipal Improvements Assistance Enabling Act, 1938".

TABLE 8.- ANALYSIS OF PROVINCIAL FUNDED DEBT

Fiscal Year Ending		Prince Edward Island	Nova Scotia	New Brunswick	Quebec
		Dec. 31	Nov. 30	Oct. 31	June 30
Bonds, Debentures, Stocks, Etc.		\$	\$	\$	\$
1½ per cent	1939	-	-	-	12,000,000
	1940	-	-	-	12,000,000
1½ " "	1939	-	-	-	-
	1940	-	-	-	-
2 " "	1939	-	-	-	35,000,000
	1940	-	-	-	35,000,000
2¼ " "	1939	300,000	-	-	10,000,000
	1940	200,000	-	-	10,000,000
2½ " "	1939	-	7,040,000	-	40,730,000
	1940	-	4,028,000	-	27,000,000
2¾ " "	1939	-	-	2,000,000	5,000,000
	1940	-	-	2,000,000	42,000,000
3 " "	1939	2,300,000	15,948,633	14,091,500	49,736,317
	1940	2,300,000	17,464,634	12,731,000	59,736,317
3¼ " "	1939	80,000	4,579,000	12,600,000	42,088,500
	1940	80,000	4,579,000	12,600,000	56,000,000
3½ " "	1939	1,220,000	23,171,880	13,131,500	9,936,500
	1940	1,220,000	28,057,013	12,069,500	20,428,000
3¾ " "	1939	-	-	4,000,000	-
	1940	-	-	4,000,000	31,500,000
4 " "	1939	600,000	-	13,056,005	13,460,782
	1940	1,950,000	-	12,079,429	13,460,782
4¼ " "	1939	-	-	-	17,850,000
	1940	-	-	-	17,850,000
4½ " "	1939	1,170,000	30,189,000	12,944,000	43,871,000
	1940	1,220,000	30,189,000	12,941,500	43,871,000
4¾ " "	1939	-	-	7,775,000	-
	1940	-	-	6,675,000	-
5 " "	1939	398,000	20,247,000	16,519,167	15,000,000
	1940	398,000	20,247,000	16,499,167	15,000,000
5¼ " "	1939	-	-	100,000	-
	1940	-	-	100,000	-
5½ " "	1939	150,000	-	10,879,500	-
	1940	150,000	-	10,879,500	-
6 " "	1939	1,000,000	558,000	201,500	-
	1940	1,000,000	558,000	201,500	-
Other	1939	-	-	-	-
	1940	-	-	-	-
Less Assumed by C.N.R.	1939	-	-	-3,729,599	-
	1940	-	-	-1,364,023	-
Total Bonds, Debentures, Stocks, Etc.	1939	7,218,000	101,733,513	103,568,573	294,673,099
	1940	8,518,000	105,122,647	101,412,573	383,846,099

1/ Including Past Due \$2,000,200 at 2½%; \$1,650,000 at 2¼%; \$2,500,000 at 2½%; \$1,000,000 at

ACCORDING TO INTEREST RATES, 1939 AND 1940

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total All Provinces
Mar. 31	April 30	April 30	Mar. 31	Mar. 31	\$
\$	\$	\$	\$	\$	
-	-	-	-	-	12,000,000
-	-	-	-	-	12,000,000
-	-	-	-	-	-
6,000,000	-	-	-	-	6,000,000
33,000,000	-	-	1/ 7,904,108	-	75,904,108
25,500,000	-	-	1/ 7,904,108	-	68,404,108
-	-	-	1/51,755,281	-	62,055,281
-	-	-	1/51,731,532	-	61,931,532
24,499,000	-	-	1/38,334,667	-	110,603,667
23,000,000	-	-	1/38,334,667	-	92,362,667
-	-	-	1/ 7,846,000	-	14,846,000
-	-	-	1/ 7,846,000	-	51,846,000
67,897,500	1,500,000	-	1/14,758,231	17,871,936	184,104,117
85,397,500	1,500,000	-	1/14,758,230	14,871,936	208,759,617
12,000,000	-	-	-	-	71,347,500
20,614,000	-	-	-	4,000,000	97,873,000
2,020,320	1,370,300	-	-	3,000,000	53,850,500
11,020,320	1,370,300	-	-	6,707,500	80,872,633
-	-	-	-	-	4,000,000
-	-	-	-	-	35,500,000
56,005,786	20,074,389	25,884,469	-	4,898,000	133,979,431
53,663,636	20,524,389	28,879,309	-	4,732,000	135,289,545
-	-	-	-	-	17,850,000
-	-	-	-	-	17,850,000
149,270,969	33,472,592	44,345,443	-	58,598,000	373,861,004
141,085,745	33,472,592	44,295,443	-	58,246,000	365,321,280
29,300,000	261,200	-	-	-	37,336,200
30,700,000	261,200	-	-	-	37,636,200
140,995,000	15,027,000	32,395,860	2/ 7,400,000	39,911,300	287,893,327
140,995,000	14,386,000	29,328,100	2/ 7,400,000	34,611,300	278,864,567
-	-	-	-	-	100,000
-	-	-	-	-	100,000
57,388,300	9,750,000	10,194,501	-	3,989,000	92,351,301
57,388,300	9,750,000	10,194,501	-	3,989,000	92,351,301
35,058,500	11,944,000	10,980,000	-	14,000,000	73,742,000
35,058,500	11,913,000	10,980,000	-	14,000,000	73,711,000
3/ 353,180	-	-	-	-	353,180
3/ 267,210	-	-	-	-	267,210
-	-	-	-	-	-3,729,599
-	-	-	-	-	-1,364,023
607,788,555	93,399,481	123,800,273	127,998,287	142,268,236	1,602,448,017
630,690,211	93,177,481	123,677,353	127,974,537	141,157,736	1,715,576,637

2 3/4: \$3,955,000 at 3% - Total \$11,105,200. 2/ Interest rate was not reduced.

3/ Railway Aid Certificates.

TABLE 8.- ANALYSIS OF PROVINCIAL FUNDED DEBT ACCORDING

		Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Treasury Bills and Exchequer Bonds		\$	\$	\$	\$
1 per cent	1939	-	-	-	-
	1940	-	-	-	-
1.25 per cent	1939	-	-	-	-
	1940	-	-	-	-
1.50 " "	1939	-	-	-	-
	1940	-	-	-	-
1.65 " "	1939	-	-	-	-
	1940	-	-	-	-
1.75 " "	1939	-	-	-	-
	1940	-	-	-	-
2 " "	1939	-	-	-	25,000,000
	1940	-	-	-	-
2.5 " "	1939	-	-	-	-
	1940	-	-	-	-
3 " "	1939	-	3,184,000	-	-
	1940	-	-	-	-
3.25 " "	1939	-	-	-	-
	1940	-	-	-	-
3.75 " "	1939	-	-	-	-
	1940	-	-	-	-
4 " "	1939	-	-	-	-
	1940	-	-	-	-
4.50 " "	1939	-	-	-	-
	1940	-	-	-	-
4.75 " "	1939	-	-	-	-
	1940	-	-	-	-
4.90 " "	1939	-	-	-	-
	1940	-	-	-	-
5 " "	1939	-	-	-	-
	1940	-	-	-	-
Not Stated	1939	-	-	-	-
	1940	-	-	1/ 2,951,000	-
Total Treasury Bills, Etc.	1939	-	3,184,000	-	25,000,000
	1940	-	-	2,951,000	-
Total Funded Debt	1939	7,218,000	104,917,513	103,568,573	319,673,099
	1940	8,518,000	105,122,647	104,363,573	383,846,099

1/ \$1,751,000 Capital and \$1,200,000 Revenue.

TO INTEREST RATES, 1939 AND 1940 (Concluded)

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total All Provinces
\$	\$	\$	\$	\$	\$
2,000,000	-	-	-	-	2,000,000
-	-	-	-	-	-
5,000,000	-	-	-	-	5,000,000
5,000,000	-	-	-	-	5,000,000
6,000,000	-	-	-	-	6,000,000
7,000,000	-	-	-	-	7,000,000
47,000,000	-	-	-	-	47,000,000
47,000,000	-	-	-	-	47,000,000
-	-	-	-	-	-
5,000,000	-	-	-	-	5,000,000
-	-	-	-	-	25,000,000
-	-	-	-	-	-
-	4,878,764	-	-	-	4,878,764
-	4,809,207	-	-	-	4,809,207
-	23,631,896	70,305,100	27,556,948	-	124,677,944
-	25,217,214	77,905,917	27,718,750	-	130,841,881
-	-	-	450,000	-	450,000
-	-	-	450,000	-	450,000
-	-	10,330,349	-	-	10,330,349
-	-	7,831,937	-	-	7,831,937
-	-	667,509	-	-	667,509
-	-	653,485	-	-	653,485
-	4,976,117	234,650	-	-	5,210,767
-	4,944,117	604,650	-	-	5,548,767
-	1,771,167	884,805	-	-	2,655,972
-	1,673,343	884,805	-	-	2,558,148
-	350,000	-	-	-	350,000
-	350,000	-	-	-	350,000
-	-	215,163	-	-	215,163
-	-	196,109	-	-	196,109
-	-	-	-	40,223,117	40,223,117
-	-	-	-	44,119,669	47,070,669
60,000,000	35,607,944	82,637,576	28,006,948	40,223,117	274,659,585
64,000,000	36,993,881	88,076,903	28,168,750	44,119,669	264,310,203
667,788,555	129,007,425	206,437,849	156,005,235	182,491,353	1,877,107,602
694,690,211	130,171,362	211,754,256	156,143,287	185,277,405	1,979,886,840

TABLE 9.- DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEARS 1938 AND 1939

Province		Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (less Sinking Funds)
		Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
		\$	\$	\$	\$	\$
Prince Edward Island	1938	1/2,924,650	1/471,643	1/2,453,007	2/1,021,530	3/3,474,537
	1939	1/3,028,750	1/592,350	1/2,436,400	2/1,300,376	3/3,736,776
Nova Scotia	1938	35,107,543	12,964,920	22,142,623	4,184,613	26,327,236
	1939	35,100,387	13,170,488	21,929,899	4,716,474	26,646,373
New Brunswick	4/1938	26,351,143	8,202,400	18,148,743	7,591,832	25,740,575
	1939	26,557,555	8,683,061	17,874,494	20,615,076	38,489,570
Quebec	1938	513,137,878	82,392,458	430,745,420	207,530,622	638,276,042
	1939	512,729,536	81,486,864	431,242,672	236,995,557	668,238,229
Ontario	1938	404,290,461	61,669,139	342,621,322	54,883,264	5/397,504,586
	1939	388,201,829	63,323,498	324,878,331	60,796,574	385,674,905
Manitoba	1938	91,867,809	44,644,755	47,223,054	24,934,058	72,157,112
	1939	90,021,300	44,160,931	45,860,369	24,288,003	70,148,372
Saskatchewan	1938	6/54,440,737	7/19,512,450	34,928,287	8/103,018,671	137,946,958
	1939	6/53,783,782	7/19,971,388	33,812,394	8/104,713,932	138,526,326
Alberta	1938	52,910,982	9/9,630,128	10/43,280,854	11/4,686,700	12/47,967,554
	1939	52,055,033	9/10,122,239	10/41,932,794	11/3,797,872	12/45,730,666
British Columbia	1938	121,170,198	30,246,921	90,923,277	13,133,628	104,056,905
	1939	119,377,590	30,498,830	88,878,760	18,553,484	107,432,244
TOTAL	1938	1,302,201,401	269,734,814	1,032,466,587	420,984,918	1,453,451,505
	1939	1,280,855,762	272,009,649	1,008,846,113	475,777,348	1,484,623,461

1/ City of Charlottetown and seven incorporated towns. 2/ City of Charlottetown only. 3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns. 4/ Year 1940; 1939 statistics are not available. 5/ Net Bonded Debt and Current Liabilities for all municipalities, plus Capital Loans for cities only. 6/ School Debt of villages and rural municipalities not included. 7/ School Sinking Funds not included. 8/ Includes \$22,076,939 in 1938 and \$28,652,238 in 1939 Government's share of relief advances. 9/ Cities only. 10/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities are not available. 11/ Towns, villages and municipal districts only; other liabilities for cities are not available. 12/ Gross Liabilities for towns, villages and municipal districts plus net bonded debt for cities.

